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SEC Proposes Regulation E-Delivery: A Fundamental Shift Toward Default Electronic Delivery for Federal Securities Law Disclosures

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On July 16, 2026, the Securities and Exchange Commission ("SEC" or "Commission") proposed Regulation E-Delivery ("Reg E-Delivery"),[1] a sweeping new rule that would allow issuers, broker-dealers, investment advisers, transfer agents, and other market participants to deliver required disclosures and reports electronically ("e-delivery") as the default method without first obtaining investors' affirmative consent (the "Proposal"). The Proposal would also rescind Rule 30e-3 under the Investment Company Act of 1940 ("1940 Act") and amend Regulations 14A and 14C and Rule 14d-5 under the Securities Exchange Act of 1934 ("Exchange Act") governing proxy and tender offer material dissemination. Comments are due 60 days after Federal Register publication. Given the breadth of the Proposal's application to funds, advisers, broker-dealers, and issuers, this alert summarizes the key elements most relevant to funds and asset management clients.

Background and Rationale

The Commission's current approach to e-delivery has been governed for three decades by non-binding interpretive guidance (the 1995, 1996, and 2000 Guidance releases),[2] which generally required investors to affirmatively "opt in" to e-delivery before paper delivery could be discontinued. According to the Proposal, this opt-in framework has become outdated given significant increases in internet and smartphone usage, with internet use among US adults rising from roughly 50% in 2000 to approximately 96% in 2025, and investor testing showing that nearly 80% of US investors prefer some form of e-delivery for disclosures without personal information, and a majority (approximately 63%) prefer e-delivery even for documents containing personal information.[3] Industry surveys cited in the Proposal, including those from the Investment Company Institute, the Securities Industry and Financial Markets Association, and Broadridge Financial Solutions, Inc., similarly report strong investor preference for e-delivery as a default, provided paper remains available on request. The Proposal also cites significant projected cost savings, noting one industry estimate that default e-delivery could save funds and shareholders between $589 million and $797 million annually.[4]

Scope: Covered Entities, Covered Recipients, and Covered Information

Reg E-Delivery would apply broadly across the federal securities laws and would be available to any "covered entity," which is defined in the Proposal to mean "any person required to deliver covered information to a covered recipient." Accordingly, the proposed definition of "covered entity" would include:

- Persons registered with the Commission under the Exchange Act, the Investment Advisers Act of 1940 (the "Advisers Act"), and the 1940 Act;
- Persons with a class of securities registered under the Exchange Act;
- Persons conducting securities offerings registered or exempt from the registration requirements under the Securities Act of 1933 (the "Securities Act");
- Persons subject to the requirements of the Trust Indenture Act of 1939 (the "Trust Indenture Act");
- Other persons required by the federal securities laws to deliver covered information to covered recipients; and

- Third parties that are required to deliver covered information to covered recipients (e.g., bidders for third-party tender offers and dissidents in contested proxy solicitations).

Examples of “covered entities” the Commission anticipates would rely on Reg E-Delivery include, among others, SEC-registered investment companies, business development companies, investment advisers, broker-dealers, transfer agents, issuers with Exchange Act reporting obligations, municipal securities dealers, security-based swap entities, funding portals, and certain third parties with statutory delivery obligations. “Covered recipients” would include any current or prospective customer, client, investor, security holder, or counterparty to whom a covered entity must deliver information, as well as legal representatives or other designees. “Covered information” is defined broadly as any information required to be delivered under the Securities Act, the Exchange Act, the Trust Indenture Act, the 1940 Act, or the Advisers Act. For funds, this would include prospectuses, shareholder reports, proxy and information statements, and Rule 19a-1 notices. Notably excluded are disclosures required under Regulation Crowdfunding, Rule 15c2-11, and the security-based swap trade acknowledgment rule, as well as information filed with or made generally available to the public (e.g., Form 8-K disclosures). Reg E-Delivery, if adopted, would be a safe harbor allowing covered entities to choose whether to rely on Reg E-Delivery and would permit covered entities to choose when and whether to use e-delivery to meet their delivery obligations to certain categories of covered information (e.g., information not containing personal financial information (“PFI”)) or only certain categories of covered recipients (e.g., institutional investors).

Permitted Delivery Methods

Reg E-Delivery contemplates two e-delivery methods, with the choice depending on whether the information contains PFI, defined as information specific to a recipient’s personal financial matters, such as account numbers or transaction details:

Method	Applicability	Key Requirements
Direct delivery	Only for covered information that does *not* include PFI	Full information must be delivered in the body or as an attachment, in a format convenient for reading, printing, and permanent retention.
Statement of availability	Required for information containing PFI; permitted for all other covered information	Must prominently identify the covered entity and information type, include a website link leading directly to the information, and describe the recipient’s rights to paper copies, opt-out, and address updates. For PFI, access must be protected through a process reasonably designed to safeguard the information, such as passwords or multifactor authentication.

E-delivery must occur no later than the date the information is otherwise required to be delivered under the federal securities laws.

The e-delivery methods contemplated under Reg E-Delivery would not be the exclusive delivery methods that a covered entity could use to deliver covered information to a covered recipient, unless a rule or statute provides otherwise. Specifically, to the extent a covered entity develops a new or different method of e-delivery but provides assurance comparable to paper delivery that the required information will be delivered, such method could be used to satisfy the covered entity's delivery or transmission requirements under the federal securities laws.

Recipient Protections

Reg E-Delivery would impose several investor protections regardless of the delivery method used:

- **Free paper copies on request.** Covered entities must send upon request, free of charge, a paper copy of any electronically delivered covered information for the applicable record-retention period (or the preceding two years if no retention requirement applies), delivered within three business days of the request absent a different statutory deadline.
- **Opt-out rights.** Recipients may opt out of e-delivery at any time, for any or all covered information, and revert to free paper delivery, which the covered entity must "promptly" implement. Firms that reserve contractual rights to restrict or close accounts of recipients who request paper would need to disclose that consequence.
- **Address updates.** Recipients must be permitted to update or change their electronic address, and to select among available electronic address types, free of charge.
- **Failure remediation.** Covered entities must adopt written policies and procedures reasonably designed to identify and remediate failed e-deliveries (e.g., bounce-backs), including obtaining a new address or reverting to paper delivery.
- **Website availability standards.** Where the statement-of-availability method is used, information must remain on the website for at least three years if it contains PFI, or one year otherwise (absent a longer period specified elsewhere in the federal securities laws), and must be presented in a format convenient for online reading, printing, and permanent retention.
- **Required Disclosures and Investor Rights.** Every e-delivery must include a prominent statement explaining how a recipient may (free of charge) request a paper copy of any covered information previously delivered electronically, opt out of e-delivery at any time and update the recipient's electronic address.

Transition Process for Recipients Currently Receiving Paper

For recipients who, as of Reg E-Delivery's effective date, receive information in paper and for whom the covered entity has an electronic address, a special two-notice transition process would apply before those recipients could be defaulted into e-delivery. Covered entities would need to send a paper initial notice at least 180 days before the transition, followed by a paper follow-up notice 30 days before the transition date, each describing the upcoming change, the electronic address to be used, and the recipient's rights to opt out, receive paper, or update their address. The Proposal would not require covered entities to provide a follow-up notice if a covered recipient receiving paper updates or confirms an electronic address in response to receiving the initial notice, and the covered recipient has not opted out of e-delivery. Recipients without an electronic address on file would remain outside the transition and continue receiving paper free of charge.

E-SIGN Act Exemption

The Proposal would exempt covered information delivered under Reg E-Delivery from the consumer consent requirements of the Electronic Signatures in Global and National Commerce Act ("E-SIGN Act"), in reliance on the Commission's authority under E-SIGN Act Section 104(d)(1) to grant exemptions that eliminate a substantial burden on electronic commerce without increasing material risk of harm to consumers. This is significant because certain covered information (e.g., prospectuses, Rule 10b-10 trade confirmations, certain Regulation S-P notices) is statutorily required to be delivered "in writing," which would otherwise trigger E-SIGN Act's multi-step affirmative consent procedures.

Related Rule Amendments Affecting Funds and Proxy Practice

- **Rescission of Rule 30e-3.** The Proposal would rescind Rule 30e-3 under the 1940 Act, which currently permits certain closed-end funds and insurance company separate accounts to satisfy shareholder report delivery through online posting plus a paper notice (e.g., a postcard). The Commission views this mechanism as unnecessary once Reg E-Delivery is adopted, since funds relying on Rule 30e-3 would instead use Reg E-Delivery's statement-of-availability method for recipients with an electronic address.
- **Proxy and information statement amendments.** The Proposal includes extensive amendments to Rule 14a-16 under the Exchange Act and related Regulation 14A/14C provisions to eliminate the paper-based "notice of internet availability" as a standalone delivery option and instead incorporate Reg E-Delivery's statement-of-availability and direct-delivery methods into the proxy delivery framework. The current business-combination exclusion from the notice-and-access model would also be removed, permitting e-delivery methods in business combination proxy solicitations.
- **Tender offer amendments.** Rule 14d-5 under the Exchange Act would be amended to clarify that e-delivery is an acceptable, non-exclusive method for disseminating tender offer materials, including by third-party bidders.

Request for Comment and Practical Implications

The Proposal poses well over 150 specific requests for comment covering, among other topics, the definitions of "electronic address" and "covered information," whether an access-equals-delivery approach should apply to institutional investors, the appropriateness of the 180-day transition period, and whether covered entities should be permitted to charge for paper delivery. For funds and asset managers, the Proposal, if adopted, would represent a fundamental change in default disclosure practices, likely requiring firms to revisit account-opening disclosures, transition planning for existing paper-delivery clients, PFI-handling procedures for account statements and trade confirmations, and website/portal compliance for material availability periods. Firms whose current contracts restrict clients' ability to revoke e-delivery consent or that impose fees for paper delivery would likely need to revise those arrangements to rely on Reg E-Delivery.

For broker-dealers, the Proposal is in line with the recently adopted approach of the Financial Industry Regulatory Association, Inc. ("FINRA"), which is proposing rule changes and updated guidance that would allow member firms to make e-delivery the default method for delivering required communications under FINRA rules, subject to specified conditions to ensure customer protection and choice, including appropriate notice to customers and an opportunity to choose to receive paper delivery, and requiring firms to establish appropriate policies and procedures to protect against e-delivery failures.[5] As FINRA's updated guidance would only apply to FINRA rules, member firms would be permitted to rely on Reg E-Delivery, if adopted, for purposes of compliance with FINRA rules.

For More Information

We are available at any time to answer questions, discuss scenarios, and provide guidance. If you would like further information concerning the matters discussed in this article, please contact the following attorneys or the Chapman attorney with whom you regularly work.

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1 Electronic Delivery of Information Under the Federal Securities Laws, SEC Rel. Nos. 33-11430, 34-105921, 39-2564, IA-6980 (July 16, 2026) (“Proposing Release”).

2 Use of Electronic Media for Delivery Purposes, Investment Company Act Release No. 21399 (Oct. 6, 1995) [60 FR 53458 (Oct. 13, 1995)]; Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information, Investment Company Act Release No. 21945 (May 9, 1996) [61 FR 24644 (May 15, 1996)]; Use of Electronic Media, Investment Company Act Release No. 24426 (Apr. 28, 2000) [65 FR 25843 (May 4, 2000)].

3 *See* Proposing Release at 15 (citing the 2025 Pew Internet Fact Sheet).

4 *See Id.* at n. 17.

5 *See* Robert Cook, President and CEO, FINRA, “Facilitating E-Delivery While Preserving Investor Choice” (Feb. 03, 2026).