

November 14, 2025

The Hon. Paul Atkins
Chairman
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

VIA EMAIL

Re.: Modernizing the SEC's E-Delivery Framework

Dear Chairman Atkins:

The Committee on Capital Markets Regulation (“**Committee**”) is writing to recommend that the Securities and Exchange Commission (“**SEC**”) issue a rule and update guidance allowing market participants to use electronic delivery as the default means of delivering required communications under the federal securities laws.

Founded in 2006, the Committee is dedicated to enhancing the competitiveness of U.S. capital markets and ensuring the stability of the U.S. financial system. Our membership includes forty-three leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Emeritus Dean, Columbia Business School) and John L. Thornton (Former Chairman, The Brookings Institution) and is led by Hal S. Scott (Emeritus Nomura Professor of International Financial Systems at Harvard Law School and President of the Program on International Financial Systems). The Committee is an independent and nonpartisan 501(c)(3) research organization, financed by contributions from individuals, foundations, and corporations.

Introduction

While use of the internet has become ubiquitous and investors now strongly prefer to engage with their investments online, the SEC’s framework governing delivery of required communications requires paper delivery, unless the recipient affirmatively *opts in* to receiving electronic communications. A wide range of important communications are subject to this paper-default framework, including brokerage statements, transaction confirmations, investment adviser brochures, and many prospectuses and shareholder reports. With today’s technology, communications can be delivered electronically using a variety of means, including (but not limited to) email, website, or mobile application (collectively, “**e-delivery**”), yielding superior investor engagement, safety and security, and environmental benefits. In light of these advantages, the Committee strongly urges the SEC to enable e-delivery as the default for required communications. We also support allowing customers to *opt out* in the event they prefer to receive paper. This would further the current push to bring the federal government’s use of technology into the modern era and align with recent initiatives at other US government agencies and internationally to adopt an electronic-first approach to financial communications.

Part I of our letter explains how the SEC’s existing communications framework hinders the use of e-delivery. Part II presents evidence that investors overwhelmingly prefer e-delivery to paper communications. Part III describes the significant benefits that e-delivery offers to investors, including improved engagement, accessibility, security, and environmental outcomes. Part IV shows that enabling default e-delivery would align the SEC’s framework with broader modernization efforts. Part V presents the Committee’s recommendations for how the SEC can promptly implement a digital-first delivery framework.

I. The SEC’s Communications Framework Hinders E-Delivery

Beginning in 1995, the SEC issued a series of interpretive guidance documents establishing paper delivery as the default method of delivering communications required under the federal securities laws, while allowing investors to opt in to e-delivery. The SEC specified three requirements for the use of e-delivery – *notice* that new information exists, *effective access* to the information, and *evidence to show delivery*.¹ Evidence to show delivery can be fulfilled by obtaining an investor’s informed consent to e-delivery.² In contrast, paper delivery does not require consent. Since then, there have been only a handful of discrete instances where the SEC has deviated from this general model, forgoing the consent requirement and thereby enabling e-delivery to be used by default.³

Many important investor communications – including prospectuses,⁴ brokerage statements, trade confirmations, tender offer and merger proxy materials, investment advisor brochures, privacy notices, and mutual fund shareholder reports, among others – are still subject to the general paper-default framework.⁵ The 1995 guidance stated that the SEC “expects that paper delivery of information will continue to be made available by issuers and others until such time as electronic media become more universally accessible and accepted.”⁶ As the following discussion demonstrates, that time has long past arrived.

E-delivery under SEC requirements is further complicated by the Electronic Signatures in Global and National Commerce Act of 2000 (“**E-SIGN Act**”). Under the E-SIGN Act, where a statute, rule or regulation requires information to be provided to a consumer “in writing,” the consumer must consent (or confirm consent) to e-delivery in a manner showing they can access the communication electronically.⁷ Even before the E-SIGN Act became effective, the SEC observed that “obtaining investor consent poses the most significant barrier to the use of electronic delivery.”⁸

¹ Use of Electronic Media for Delivery Purposes, 60 Fed. Reg. 53,458, 53,460-61 (Oct. 13, 1995); Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information, 61 Fed. Reg. 24,644 (May 15, 1996); Use of Electronic Media, 65 Fed. Reg. 25,843 (May 4, 2000).

² Use of Electronic Media for Delivery Purposes, 60 Fed. Reg. at 53,461.

³ 17 C.F.R. § 230.172; 17 C.F.R. § 230.173; 17 C.F.R. § 240.14a-16; 17 C.F.R. § 270.30e-3; *see also* Securities Offering Reform, 70 Fed. Reg. 44,722, 44,783-85 (Aug. 3, 2005).

⁴ Certain final prospectuses are exempted under Rule 172 and Rule 173.

⁵ *See, e.g.*, Rule 10b-10, FINRA Rule 2231, Rule 204-3, Regulation 14D, Rule 13e-4, Rule 204-3, and Regulation S-P Rules 248.4 - 248.9.

⁶ Use of Electronic Media for Delivery Purposes, 60 Fed. Reg. at 53,459.

⁷ 15 U.S.C. § 7001(c).

⁸ Use of Electronic Media, 65 Fed. Reg. 25,843, 25,854 (May 4, 2000).

To address these issues, the Improving Disclosure for Investors Act of 2025 has been introduced with bipartisan support in both the House and the Senate.⁹ The bill would require the SEC to promulgate rules or interpretive guidance to allow for default e-delivery of required disclosures and would exempt them from the E-SIGN Act.

II. Investors Prefer E-Delivery

As former SEC Chairman Jay Clayton acknowledged in 2020, “[i]t is clear that we live in an electronic communication world.”¹⁰ 96% of American adults use the internet, including over 90% of adults at every income level and 90% of those aged 65 and over.¹¹ Indeed, a 2024 AARP study found that US adults 50 and older were roughly as likely to own an internet-enabled device as younger adults, and that 65% had used digital finance or banking services in the past three months.¹²

With respect to e-delivery in particular, a 2025 survey found that 84% of Americans would be comfortable with e-delivery as the default means of receiving financial communications provided there is still an option to elect paper delivery, and that 82% are already receiving at least some financial communications electronically.¹³ Similarly, a 2022 survey found that only 8% of retail investors preferred paper delivery for all investor documents.¹⁴

Despite the clear investor preference for e-delivery, the barriers presented by the SEC’s communications framework mean there is still substantial room for e-delivery adoption rates to improve.¹⁵ The same 2025 survey found that 48% of Americans are still receiving some paper financial communications, with 29% of individuals stating they are still receiving paper despite signing up for e-delivery, and a further 7% indicating that they still receive paper because opting in to e-delivery takes too much time.¹⁶

III. E-Delivery Clearly Benefits Investors

E-delivery benefits investors in numerous ways. Notably, e-delivery provides for better investor engagement. Electronic communications can be sent and delivered in a timelier manner than paper communications. US Postal Service delivery is also becoming steadily less reliable – only

⁹ Improving Disclosure for Investors Act of 2025, H.R. 2441, 119th Cong. (2025); S. 1877, 119th Cong. (2025).

¹⁰ *Capital Markets and Emergency Lending in the COVID-19 Era: Hearing before the Subcomm. on Investor Prot., Entrepreneurship, & Capital Mkts. of the H. Comm. on Fin. Servs.*, 116th Cong. (June 25, 2020) (oral testimony of Jay Clayton, Chairman, SEC).

¹¹ *Internet, Broadband Fact Sheet*, PEW RSCH. CENTER (Nov. 13, 2024), <https://www.pewresearch.org/internet/fact-sheet/internet-broadband/>.

¹² 2025 TECH TRENDS AND ADULTS 50-PLUS, AM. ASS’N OF RETIRED PERSONS 24, 30 (Jan. 2025).

¹³ AMERICANS’ VIEW ON E-DELIVERY OF FINANCIAL DOCUMENTS, INV. CO. INST. 3, 8 (Sept. 2025) [hereinafter ICI SURVEY].

¹⁴ MOST INVESTORS WANT ELECTRONIC, NOT PAPER, DELIVERY OF INVESTOR DOCUMENTS, FGS GLOBAL 2, 3 (July 2022), available at <https://www.sifma.org/wp-content/uploads/2022/07/SIFMA-Survey-Results-for-SEC-July-2022.pdf> (describing the results of a survey conducted by YouGov and commissioned by SIFMA).

¹⁵ See *E-Delivery Adoption in Financial Services Shows Promising Trends, Reveals Key Opportunities*, PR NEWswire (Apr. 8, 2025 11:08), <https://www.prnewswire.com/news-releases/e-delivery-adoption-in-financial-services-shows-promising-trends-reveals-key-opportunities-302423511.html> (discussing a report by DALBAR).

¹⁶ ICI SURVEY, *supra* note 13, at 8, 14.

approximately 82% of first-class mail was delivered on time in 2024, down from approximately 94% in 2022.¹⁷ On average, a first-class letter took approximately three days to be delivered in 2022, increasing to four days in 2024.¹⁸ E-delivery also allows recipients the flexibility to access information when, where, and how they prefer. This enables investors to react quickly in the event of discrepancies, and to swiftly incorporate new information into their financial strategies. In contrast to static physical documents, SEC modernization would support efforts by firms to enhance disclosures including the potential for electronic communications that are interactive, incorporate video or audio, or quickly link users to other resources and interactive tools. E-delivery can also improve accessibility. Software applications used by clients allow electronic communications to be translated into different languages, or modified for better readability, such as by changing the font, increasing text size or illumination, or by reading text aloud.

The benefits of digital engagement can lead to better financial outcomes. For instance, 401(k) participants who interact with their plan's website contribute an average of 7.8% of their salary to the plan as compared to an average of 5.8% for those who do not.¹⁹ And shareholders who have provided a company with their email address are approximately three times more likely to participate in future rounds of capital raising than those who have not provided an email.²⁰

E-delivery is also more secure than traditional mail. US Postal Service data shows there were more than 52,000 high-volume mail theft attacks in FY2024, up 156% from FY2019 and 2,238% from FY2010.²¹ These attacks often target financial documents, as the Postal Service has stated that recent growth in mail theft is "primarily due to financially motivated crimes."²² In contrast, financial firms can work with internet service providers and employ sophisticated technology to ensure e-delivered disclosures are delivered accurately and securely, safeguarding sensitive personal information. For instance, firms can use email authentication protocols to ensure emails are not sent to spam folders or blocked, and to protect against attacks such as phishing and spoofing.²³ Firms can also leverage techniques to deter fraud and hacking attempts, such as sending investors a text or email notification that certain disclosures are available, while providing access

¹⁷ Dave Lewis, *US Mail Traffic Report December 30, 2024*, SNAILWORKS (Dec. 30, 2024), https://www.snailworks.com/Blog/Blog_Detail.aspx?id=564; Jory Heckman, *USPS Addresses Delay 'Hotspots' Amid Network Modernization, But Faces Year-End Challenges*, FED. NEWS NETWORK (Aug. 27, 2024, 6:40 pm), <https://federalnewsnetwork.com/agency-oversight/2024/08/usps-improves-on-time-delivery-in-delay-hotspots-but-faces-year-end-challenges/>.

¹⁸ Heckman, *supra* note 17.

¹⁹ John Sullivan, *Massive Savings From E-Delivery Update to 401(k) Disclosure*, 401(K) SPECIALIST (June 20, 2018), <https://401kspecialistmag.com/massive-savings-from-e-delivery-update-to-401k-disclosure/>.

²⁰ Hannah Nowak, *Investors with an Email Address Are 2.8x More Likely to Participate in a Raise*, GROWING IN PUB. (Aug. 30, 2023), <https://growinginpublic.investorhub.com/investors-with-an-email-address-are/>.

²¹ Frank Albergo, *How the U.S. Mail became a Data Breach*, FEDWEEK (Aug. 25, 2025), <https://www.fedweek.com/federal-managers-daily-report/how-the-u-s-mail-became-a-data-breach/>.

²² PROJECT SAFE DELIVERY: COMBATTING MAIL THEFT AND LETTER CARRIER ROBBERIES STRATEGY, U.S. POST INSPECTION SERV. (Oct. 2023), available at https://www.uspis.gov/wp-content/uploads/2023/11/USPIS_Mail-Theft-Strategy.pdf.

²³ Peter Loshin, *SPF, DKIM and DMARC: What Are They and How Do They Work Together?*, TECHTARGET (June 26, 2024), <https://www.techtargget.com/searchsecurity/answer/Email-authentication-How-SPF-DKIM-and-DMARC-work-together/>.

to the document via a secure website requiring multi-factor user authentication.²⁴ Microsoft has found that over 99.2% of account compromise attacks are blocked when multi-factor authentication is used.²⁵

Finally, moving to default e-delivery would reduce costs and benefit the environment.²⁶ Indeed, investors view reduced environmental impacts as a key benefit to e-delivery – in a 2022 survey, saving paper was the most commonly cited benefit, while 79% of investors agreed that e-delivery is an easy way to cut carbon emissions.²⁷ It is estimated that switching even just prospectuses and shareholder reports to e-delivery would save over 100,000 trees per year.²⁸

IV. Default E-Delivery of Securities Disclosures Aligns with Broader Government Efforts to Modernize

Enabling default e-delivery of communications required under the federal securities laws would align with modernization efforts both within the US government and abroad. The US federal government is currently undertaking broad efforts to bring its use of technology into the present era. A number of executive orders and memoranda have been signed in recent months aiming, for example, to improve government-wide software and IT systems, eliminate paper-based permit applications for infrastructure projects, and improve the usability of online federal services.²⁹ Notably, federal agencies have been instructed to move to electronic instead of paper-based payment systems for federal disbursements and receipts, in recognition of their increased efficiency and security against financial fraud.³⁰ The order emphasizes that physical Treasury Department checks are 16 times more likely to be subject to fraud, returned undeliverable, or reported lost or stolen than electronic payments.³¹

Focusing on electronic delivery of financial communications in particular, US agencies other than the SEC as well as regulators abroad have already embraced default e-delivery, demonstrating its feasibility and desirability. Domestically, in 2012 the Social Security Administration (“SSA”) began making social security statements available online and in 2017 made e-delivered statements the default except as to individuals aged 60 and over who do not have online accounts.³² Over 71

²⁴ See, e.g., ICI SURVEY, *supra* note 13, at 6.

²⁵ Joy Shah & Neha Kulkarni, *Azure Mandatory Multifactor Authentication: Phase 2 Starting in October 2025*, MICROSOFT (Sept. 5, 2025), <https://azure.microsoft.com/en-us/blog/azure-mandatory-multifactor-authentication-phase-2-starting-in-october-2025/>

²⁶ Molly Weisner, *SEC Pressed to Follow Other Federal Agencies in Going Paperless*, FED. TIMES (Dec. 5, 2023), <https://www.federaltimes.com/federal-oversight/congress/2023/12/05/sec-pressed-to-follow-other-federal-agencies-in-going-paperless/>.

²⁷ MOST INVESTORS WANT ELECTRONIC, NOT PAPER, DELIVERY OF INVESTOR DOCUMENTS, *supra* note 14.

²⁸ *Investors Have Spoken: It’s Time for Default E-Delivery*, SIFMA (Aug. 2022), <https://www.sifma.org/wp-content/uploads/2022/08/Its-Time-for-Default-e-Delivery-SIFMA-Infographic.pdf> (based on data provided by Broadridge Financial Solutions, Inc.).

²⁹ See, e.g., Exec. Order No. 14,158, 90 Fed. Reg. 8,441 (2025); Memorandum on Updating Permitting Technology for the 21st Century, Daily Comp. Pres. Doc. 202500488 (Apr. 15, 2025); Exec. Order No. 14,338, 90 Fed. Reg. 41,759 (2025).

³⁰ Exec. Order No. 14,247, 90 Fed. Reg. 14,001 (2025).

³¹ *Id.*

³² See, e.g., John Iekel, *About the Social Security Statement*, ASPPA (July 25, 2022), <https://www.asppa-net.org/news/2022/7/about-social-security-statement/>.

million adults have made online accounts with the SSA.³³ In 2020, the Department of Labor adopted a new safe harbor for default electronic communication of required retirement plan disclosures (such as pension benefit statements and summary plan descriptions) under Title I of the Employee Retirement Income Security Act of 1974.³⁴ The safe harbor allows plan administrators to deliver required documents to participants and beneficiaries by sending a notice that the document is available on the internet and providing access through a website, or by direct delivery via email, in each case subject to certain requirements. Notably, the safe harbor removes prior barriers to default e-delivery such as the need to obtain affirmative consent.³⁵ A subsequent study by the Employee Benefits Security Administration investigating the impact of the new safe harbor on populations with limited internet access and on senior citizens found it “unlikely to have any negative impact on [these] populations” because the safe harbor includes limits, such as allowing individuals to opt out of e-delivery.³⁶

Internationally, important jurisdictions such as the European Union (“EU”), Hong Kong, and India are enabling the use of e-delivery as the default means of financial disclosures. The EU has allowed collective investment funds to deliver personally addressed prospectuses and reports to investors via website by default since 2010, provided that shareholders may request paper copies.³⁷ Under 2025 legislation, companies incorporated in Hong Kong may disseminate corporate communications to shareholders via company website by default, provided the company’s articles indicate that communications will generally be made available online, and a prior notice has been sent to shareholders.³⁸ In 2024 India’s financial markets regulators further broadened long-standing rules allowing listed companies to send annual reports to shareholders electronically by default.³⁹ While previously companies were still required to send hard copy reports to shareholders who had not provided an email address, companies now need only mail a notice to such investors specifying the web address where the document will be made available.⁴⁰

³³ *How to Contact Social Security: What You Need to Know About Recent Changes*, SOCIAL SECURITY ADMIN. (May 7, 2025), <https://blog.ssa.gov/how-to-contact-social-security-what-you-need-to-know-about-recent-changes/>.

³⁴ See, e.g., Ruth E. Delaney, *DOL Creates New E-Delivery Safe Harbor for Retirement Plan Disclosures*, K&L GATES (Sept. 2, 2020), <https://www.klgates.com/DOL-Creates-New-E-Delivery-Safe-Harbor-for-Retirement-Plan-Disclosures-9-2-2020>

³⁵ *Id.*

³⁶ EMP. BENEFITS SEC. ADMIN., U.S. DEP’T OF LABOR, REPORT ON DEFAULT ELECTRONIC DISCLOSURE BY EMPLOYEE PENSION BENEFIT PLANS UNDER EMPLOYEE RETIREMENT INCOME SECURITY ACT 1 (2022), *available at* <https://www.eric.org/wp-content/uploads/2022/02/EBSA-Report.pdf>.

³⁷ Parliament and Council Directive 2009/65/EC, art. 75, 2009 O.J. (L 302) 32, 70; Commission Regulation 583/2010, art. 38, 2010 O.J. (L 176) 1, 12 (prior investor consent is not required where information is addressed personally to the investor).

³⁸ See Companies Registry External Circular No. 3 / 2025, Promoting Paperless Corporate Communication for Hong Kong Companies (Feb. 21, 2025), *available at* <https://www.cr.gov.hk/en/publications/docs/ec3-2025-e.pdf>.

³⁹ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, Gazette of India, section III(4) (Dec. 12, 2024) (amending Regulation 36).

⁴⁰ *Mail or Link? Understanding SEBI’s New Rules on Annual Report Distribution*, MMJC (June 9, 2025), <https://www.mmjc.in/mail-or-link-understanding-sebis-new-rules-on-annual-report-distribution/>.


V. Recommendation

The Committee urges the SEC to take action to facilitate digital-first delivery. First, as an interim step pending a formal rulemaking, the SEC should revise its interpretive guidance to enable e-delivery as the default method of delivering required communications, while providing a means for investors to opt out if they prefer to receive paper disclosures. This strikes the appropriate balance between achieving the myriad benefits of e-delivery while protecting the interests of the small minority of investors who still wish to receive paper. Second, the SEC should undertake a rulemaking to formalize this approach. Specifically, the rulemaking could achieve this by invoking the SEC's authority under the E-SIGN Act to exempt required communications within the SEC's jurisdiction from the E-SIGN Act's burdensome consent requirements.⁴¹

* * *

Thank you very much for your consideration of the Committee's position. Should you have any questions or concerns, please do not hesitate to contact the Committee's President, Professor Hal S. Scott (hscott@capmksreg.org) or its Executive Director, John Gulliver (jgulliver@capmksreg.org) at your convenience.

Respectfully submitted,



John L. Thornton
CO-CHAIR



Hal S. Scott
PRESIDENT



R. Glenn Hubbard
CO-CHAIR

⁴¹ 15 U.S.C. § 7004(d).