The Shift to E-delivery: Preparing Brokers and Proxy Service Providers for the Future

June 2026

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Executive Overview

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The regulatory direction is increasingly clear: electronic delivery (e-delivery) is moving from an optional channel to a likely default model for investor communications, with paper retained as an opt-out choice. For brokers and proxy service providers, the question is not whether change is coming, but how quickly firms can get ready.

This document is intended to help assess the operational, compliance, and customer-experience implications of this shift. At the time of publication, recent public statements from SEC Chair Paul Atkins indicate that the Commission is actively working on an e-delivery rule and may define e-delivery more broadly than traditional email. FINRA has already approved a proposal that would permit broker-dealers to use electronic delivery as the default option under FINRA rules, subject to SEC approval.

Firms that prepare now can reduce transition risk, improve investor communications, and position themselves for a broader digital-delivery framework.

Background

SEC rules historically required brokers to mail proxy statements, prospectuses and annual/semi-annual reports to beneficial holders, with e-delivery allowed only when investors affirmatively consented. Over time, the SEC introduced limited alternatives—such as Notice and Access and Rule 30e-3—but the core framework remained centered on paper delivery or prior consent. That history helps explain why a broader move to default e-delivery would represent a meaningful regulatory and operational shift rather than a minor procedural update.

Why Momentum Is Building for Default E-delivery

Industry support for default e-delivery has strengthened because the current consent-based framework no longer reflects how most investors receive financial information. Supporters point to lower printing and postage costs, improved delivery speed, stronger operational efficiency, and reduced exposure to paper-based fraud and mailing failures.

SIFMA and the Investment Company Institute have both argued that default e-delivery would better align regulations with current investor behavior while reducing unnecessary printing and postage costs. They also emphasize that the existing affirmative-consent framework is operationally inefficient and increasingly out of step with digital-first communications.

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Momentum has also been reinforced by repeated bipartisan legislative efforts since 2022—and by continued regulatory attention in 2025 and 2026—even though no single proposal has yet fully resolved the issue.

- **Legislative activity:** The *Improving Disclosure for Investors Act* and related proposals show sustained bipartisan interest in making e-delivery the default while preserving investor protections and opt-out rights.

- **Industry advocacy:** In 2025, SIFMA again urged the SEC to modernize a framework that no longer reflects how investors access financial information.

- **Investor preference data:** Survey results continue to indicate strong investor comfort with digital delivery and broad preference for electronic access to documents.

In December 2025, FINRA approved a rule proposal to permit broker-dealers to treat e-delivery as the default, while preserving investor opt-out rights. This marks a critical shift by a major regulator toward modernizing delivery standards. The proposal will be filed with the SEC, reinforcing coordinated regulatory momentum.

As of May 2026, the SEC Commission Chair Paul Atkins has publicly emphasized in multiple forums that forthcoming regulatory changes may expand the definition of e-delivery beyond traditional email channels. This signals a clear need for broker-dealers to prepare for a broader, more flexible e-delivery framework

How Brokers Should Prepare

While the timing of rule changes remains uncertain, brokers should begin planning now for the system, process, and communication changes that a default e-delivery model would require, including:

- A proactive rollout strategy that defines whether deployment will be phased or full-scale, incorporates appropriate support readiness (e.g., call center capacity), and leverages client segmentation (such as product type or recent engagement activity) to optimize adoption and minimize disruption

- Explanatory/educational material for new and existing customers, with educational outreach likely needed for a reasonably lengthy transition period

- Enhancements to customer online access systems and data access to accommodate customers new to e-delivery

- Updates to operational and compliance processes and written supervisory procedures

How BetaNXT Can Help

BetaNXT has been a long-standing advocate for electronic solutions, grounded in the belief that digital delivery represents the future of investor communications. Our technology has been purpose-built with an “electronic-first” approach, enabling a comprehensive suite of delivery options—from traditional email to API-driven, in-app notifications—for all types of regulated materials, including proxy statements, prospectuses, and corporate action notices. We are uniquely positioned to meet broker-dealers wherever they are in their transformation journey, whether transitioning fully to in-app experiences or maintaining hybrid models that include paper.

To accelerate adoption, we support targeted e-campaigns, including consent solicitation campaigns, paper suppression initiatives, shareholder enrollment drives, call center support and digital awareness campaigns tied to key events like proxy season or fund updates. In addition, we offer robust preference management capabilities, helping clients deliver seamless, compliant, and client-centric investor experiences.

Default E-Delivery Transition Framework

Client Segmentation

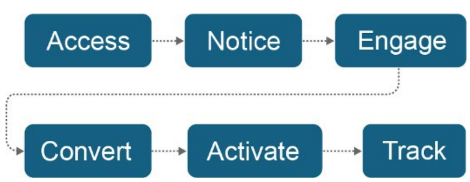
Digital Ready
Receives paper, transacts online
Approach: *Email + portal CTA*

Assisted Communications
Receives paper, votes by phone
Approach: *Outbound call + consent*

Mixed Preferences
Paper for proxy, digital for prospectus
Approach: *Normalize delivery*

Paper Loyalists
Receives and votes by paper
Approach: *Paper notice + dedicated support*

End-to-End Campaign Flow



Timeline

0–1 mo.	Prep and Segmentation
1–2 mo.	Advance Notice
2–5 mo.	Segmented Outreach
6 mo.	Default Activation
Ongoing	Monitoring and Reminder

KPIs: Conversion | Opt-out | Bounce | Call volume | Complaints

Outcome: Reduced print, postage, and manual servicing cost

Safeguards

- Advance notice to paper clients
- ~180-day transition window
- Readable / retainable e-delivery
- Easy opt-out to paper
- Delivery failure monitoring
- Annual program reminders

Risks to Manage

- Consent/notice gaps
- Delivery failures
- Call spikes

BetaNXT Electronic Delivery Experiences

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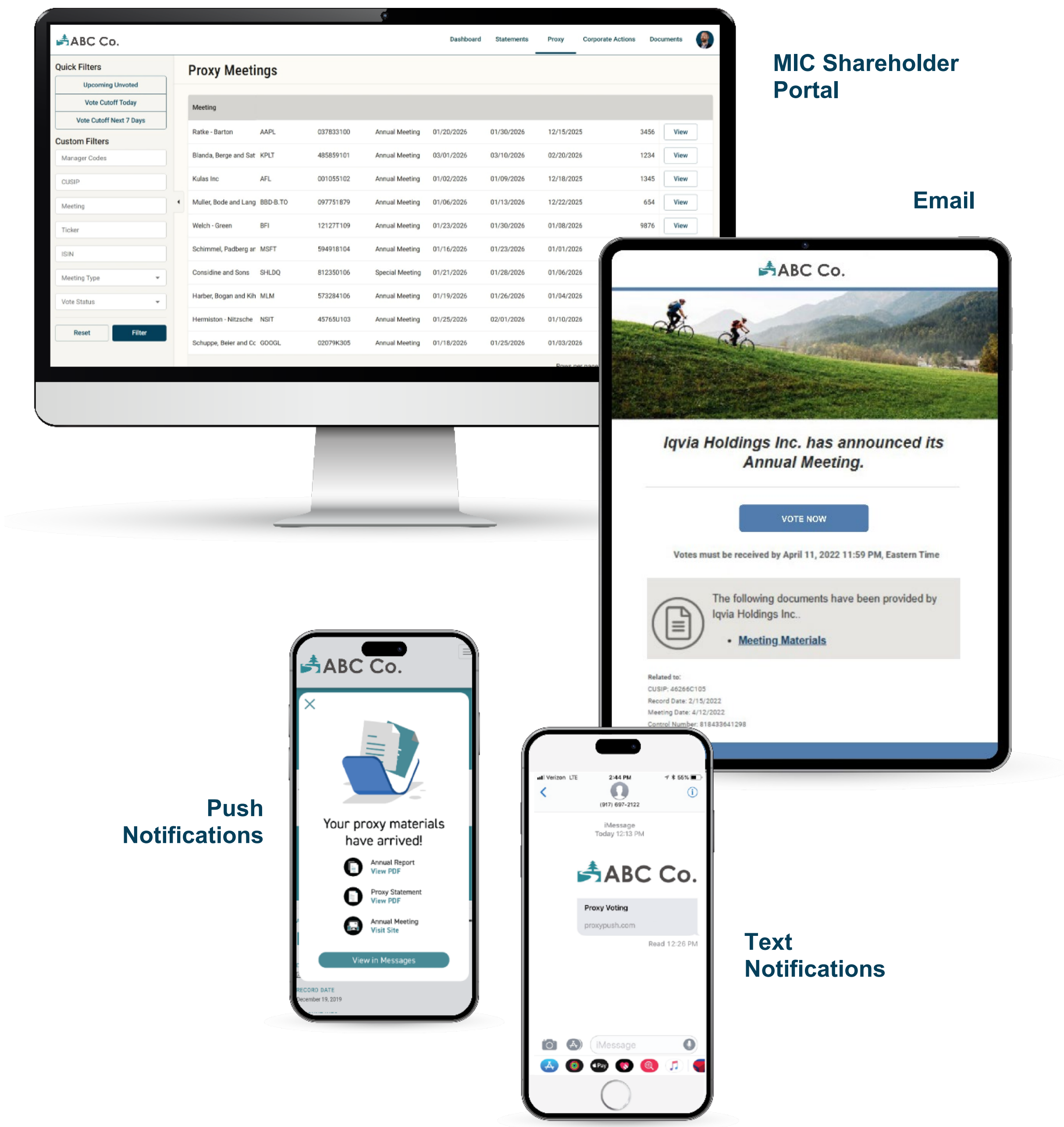

Conclusion

The shift to e-delivery is not a question of “if” it will come, but “when.” Brokers that prepare now can reduce risk, improve the investor experience, and build a more efficient delivery model. Now is the time to assess current practices, identify gaps, and define a practical implementation plan.