



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

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## Executive Overview

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. On July 16, 2026, the SEC formally proposed rules to permit electronic delivery as the default method for certain investor communications, while preserving investor rights to receive paper documents upon request. The proposal was published in the Federal Register on July 21, 2026. The SEC's proposal would establish a framework for broader electronic delivery standards and reflects a significant step toward modernizing investor communications. The proposal's comment period closed on September 21, 2026, and a final rule is anticipated in 2027.

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 explains why a broader move to default e-delivery would represent a meaningful regulatory and operational shift rather than a minor procedural update.

After years of legislative proposals, industry advocacy, and regulatory discussion, the SEC has now moved beyond conceptual consideration and issued a formal rule proposal addressing default electronic delivery. The proposal provides market participants with greater regulatory clarity and allows firms to begin evaluating transition plans and operational readiness.

## Why Momentum Is Building for Default E-delivery

Support for default e-delivery has grown significantly because the current affirmative-consent framework no longer reflects how most investors access financial information. Industry participants cite reduced printing and postage costs, faster delivery, improved operational efficiency, enhanced recordkeeping, and decreased reliance on paper-based processes.

Industry organizations, including SIFMA and the Investment Company Institute (ICI), have long advocated for modernization of delivery requirements. They argue that investors increasingly prefer digital communications and that existing consent requirements create administrative complexity without providing meaningful additional investor protection.

Momentum has accelerated in recent years through a combination of legislative initiatives, regulatory action, and growing investor acceptance of electronic communications.

Most notably, the SEC's July 2026 proposal represents the most significant regulatory advancement toward default electronic delivery in decades and provides the industry with a clearer framework for potential implementation.

Key drivers behind the momentum include:

- **SEC Rule Proposal (2026):** The SEC formally proposed a default e-delivery framework in July 2026, establishing a comprehensive regulatory structure that would permit electronic delivery as the default while preserving investor opt-out rights.
- **Legislative Activity:** The Improving Disclosure for Investors Act and related proposals demonstrate sustained bipartisan interest in modernizing investor communications and expanding the use of electronic delivery.
- **Industry Advocacy:** Trade associations, including SIFMA and ICI, have continued to encourage regulators to align delivery requirements with investor preferences and current communication practices.
- **FINRA Support:** In December 2025, FINRA approved a proposal that would permit broker-dealers to treat electronic delivery as the default under FINRA rules, subject to SEC approval. Together with the SEC proposal, this reflects increasing regulatory alignment around modernization of investor communications.
- **Investor Preferences:** Survey data and market experience continue to indicate strong investor comfort with receiving and accessing documents electronically.

The SEC proposal's comment period closed on September 21, 2026, and the industry is now evaluating potential implementation requirements while awaiting final rulemaking. Although final requirements remain subject to SEC action, firms have greater visibility into the likely direction of regulatory change.

## How Brokers Should Prepare

Although the SEC has not yet adopted a final rule, broker-dealers should use the period between proposal and final adoption to assess operational readiness, client communication strategies, technology requirements, and transition planning.

- Review client electronic contact data quality and remediation needs.
- Assess notification delivery channels, including email, portal, app-based, and other electronic methods contemplated under the proposal.
- Develop formal opt-out management processes and controls.
- Evaluate monitoring capabilities for failed electronic deliveries.
- Prepare communication strategies for advance notice requirements and transition periods.

## 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 “digital-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. These efforts can be aligned with key events such as proxy season or fund updates, as well as deployed throughout the year to create additional client touchpoints and drive ongoing engagement. 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

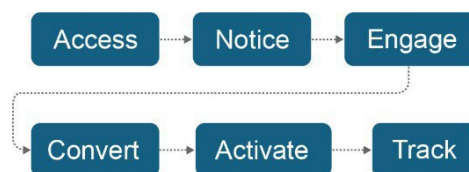
**Approach:** *Normalize delivery*

#### 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

**Outcomes:** Reduced print, postage, and manual servicing costs

### Safeguards

- Proposed transition framework includes advance notices approximately 180 days and 30 days prior to default conversion, followed by a proposed two-year implementation period after final rule adoption.<sup>1</sup>
- 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

<sup>1</sup> Timing remains subject to the requirements of any final SEC rule.

## BetaNXT Electronic Delivery Experiences

**MIC Shareholder**

**Email**

**Push Notifications**

**Text Notifications**

The desktop monitor displays the ABC Co. Proxy Meetings page with a table of upcoming meetings:

| Meeting                | Company  | Meeting ID | Meeting Type    | Meeting Date | Record Date | Meeting Date | Votes | View |
|------------------------|----------|------------|-----------------|--------------|-------------|--------------|-------|------|
| Ratke - Barton         | AAPL     | 037833100  | Annual Meeting  | 01/20/2026   | 01/30/2026  | 12/18/2025   | 3456  | View |
| Blanda, Berge and Sat  | KPLT     | 485859101  | Annual Meeting  | 03/01/2026   | 03/10/2026  | 02/20/2026   | 1234  | View |
| Kulas Inc              | AFL      | 001055102  | Annual Meeting  | 01/02/2026   | 01/09/2026  | 12/18/2025   | 1345  | View |
| Muller, Bode and Lang  | BBD-B.TO | 097751879  | Annual Meeting  | 01/06/2026   | 01/13/2026  | 12/22/2025   | 654   | View |
| Welch - Green          | BFI      | 121277109  | Annual Meeting  | 01/23/2026   | 01/30/2026  | 01/08/2026   | 9876  | View |
| Schimmel, Padberg and  | MSFT     | 594918104  | Annual Meeting  | 01/14/2026   | 01/23/2026  | 01/01/2026   |       |      |
| Considine and Sons     | SHLDQ    | 812350106  | Special Meeting | 01/21/2026   | 01/26/2026  | 01/06/2026   |       |      |
| Harber, Bogan and Kih  | MLM      | 573284106  | Annual Meeting  | 01/18/2026   | 01/26/2026  | 01/04/2026   |       |      |
| Hermiston - Nitzsche   | NSIT     | 457601103  | Annual Meeting  | 01/25/2026   | 02/01/2026  | 01/10/2026   |       |      |
| Schuppe, Beier and Co. | GOOGL    | 02079K305  | Annual Meeting  | 01/18/2026   | 01/25/2026  | 01/03/2026   |       |      |

The tablet displays the ABC Co. email notification for Iqvia Holdings Inc. Annual Meeting, with a "VOTE NOW" button and a list of provided documents including Meeting Materials.

The smartphone displays a push notification titled "Your proxy materials have arrived!" with links to view the Annual Report, Proxy Statement, and Annual Meeting, and a "View in Messages" button.

The other smartphone displays a text notification from ABC Co. regarding Proxy Voting, with a link to proxypush.com.

## Conclusion

With a formal SEC proposal now published and the comment period complete, the industry has entered a new phase of regulatory modernization. While final requirements remain subject to SEC action, firms that begin planning now will be best positioned to reduce implementation risk, improve investor experiences, and accelerate adoption once a final rule is issued.

## BetaNXT

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