
Modernizing Delivery: Why It's Time for the SEC to Make E-Delivery the Default - SIFMA

As investors overwhelmingly embrace digital communications, the SEC should update its decades-old delivery framework to make electronic delivery the default—improving security, reducing costs, and meeting investor needs in the 21st century.

Nearly thirty years ago, the SEC first issued guidance on electronic delivery of required investor communications. These include such things as monthly statements, confirmations and prospectuses. At the time, less than half of U.S. households owned a computer, and only a small fraction subscribed to online services, using dial up as the way to connect to the internet. Fast forward to today: 95% of households own a computer or smart device, 90% have broadband, and almost everyone uses mobile and online platforms for banking, bill paying, shopping, and even government services.

Yet under current SEC rules, paper documents remain the default for required investor communications. This framework is outdated and more costly and less efficient and invites more risk. It also creates unnecessary costs, inefficiencies, and barriers to innovation—while most investors have already signaled a clear preference for electronic delivery.

Why Electronic Delivery Should Be the Default

In a recent letter to the SEC, SIFMA and SIFMA AMG urged the SEC to take action to update the rules to make electronic delivery the default method for customer communications. With appropriate safeguards and the investor's ability to opt out at any time, electronic delivery would:

- **Enhance the investor experience** by providing more timely, secure, and user-friendly access to information.
- **Strengthen investor protection** by reducing the risk of lost or stolen mail and enabling use of encryption, multifactor authentication, and other safeguards.
- **Lower costs** by eliminating printing and postage costs that are ultimately borne by investors.
- **Promote environmental responsibility** by reducing paper waste from millions of unnecessary mailings.

Investors Are Already Online

The evidence is clear: investors overwhelmingly want digital delivery. A 2022 SIFMA survey found that nearly 80% of customers already receive financial documents electronically—across all age groups, including seniors. Just as over 90% of Americans file their taxes electronically, most now expect financial disclosures to be delivered the same way.

A Modernized Framework

In the letter to the SEC, SIFMA recommends:

- Allowing firms to treat electronic delivery as the default method of delivery for clients with an active electronic delivery address on file after an ample notification and transition period. Current and future clients could always switch to paper delivery on demand.
- Exempt "in writing" delivery requirements from duplicative provisions of the E-Sign Act.
- Provide greater flexibility for institutional investors, who overwhelmingly prefer self-service access to documents rather than duplicative notices.

Other federal agencies — including the Department of Labor, Social Security Administration, and the Centers for Medicare and Medicaid Services—have already embraced electronic delivery. This is all the more why we believe the SEC should update its rule set.

Moving Forward

Electronic delivery is not only main the way people communicate today – it is the safer, smarter, and more efficient path forward. Markets are moving faster, with securities settlement moving to one day in 2024 pursuant to an SEC rule and industry led initiative. That move in and of itself made mail delivery of confirms outdated. And as the SEC considers the treatment of tokenization and digital assets under the securities laws, e-delivery is an important first step in establishing a regulatory framework that is friendly to those products.

Modernizing the SEC's delivery framework would align regulatory requirements with investor preferences, technology, and best practices across industries.

We believe the time is right to bring investor communications into the 21st century.

This article neither contains legal advice nor establishes an attorney-client relationship in any form. The opinions expressed herein are attributable to the author(s) alone, and they do not reflect the views, positions or opinions of Willkie Farr & Gallagher LLP or other attorneys at the firm.

Date: September 18, 2025

By: Melissa MacGregor, Brian Baltz, and James Anderson.