

SEC Staff Relaxes 20 Business Day "Broker Search" Requirement for Proxy Solicitations

On January 23, 2026, the Staff of the U.S. Securities and Exchange Commission (the "Staff") issued updated guidance that provides greater flexibility for public companies¹ conducting the required "broker search" in connection with shareholder meetings. The guidance, set forth in Compliance and Disclosure Interpretation Question 133.02, represents a meaningful change in the Staff's position regarding the timing requirements of Rule 14a-13(a)(3) under the U.S. Securities Exchange Act of 1934.²

Background

Under Rule 14a-13(a), public companies seeking to solicit proxies in connection with a shareholder meeting ("Public Companies Soliciting Proxies") must inquire with record holders (mainly, banks, brokers and other intermediaries) regarding the number of sets of proxy materials needed by the record holders for delivery to beneficial owners. Historically, Rule 14a-13(a)(3) required Public Companies Soliciting Proxies to conduct this "broker search" at least 20 business days prior to the record date for the shareholder meeting of the corresponding public company (the "Record Date").

The New Guidance

Recognizing that technological advancements since the rule's adoption in 1986 have led to more efficient coordination among intermediaries and those public companies conducting a broker search, the Staff has indicated that it will not object if Public Companies Soliciting Proxies conduct their broker search less than 20 business days prior to the Record Date. This relief is subject to two conditions: (1) the public company must reasonably believe that its proxy materials will be timely disseminated to beneficial owners, and (2) the public company must otherwise comply with the requirements of Rule 14a-13, which include certain required treatment for voting materials and mailing mechanics. The Staff's position also extends the new broker search timing requirement under Rule 14c-7(a)(3) to information statements.

Practical Impact on Proxy Timelines

This guidance provides Public Companies Soliciting Proxies with additional flexibility in setting their shareholder meeting calendars, particularly in situations where circumstances require a compressed timeline between the Record Date and the date set for the relevant shareholder meeting. As a result of this regulatory change, Public Companies Soliciting Proxies may now be able to establish Record Dates closer to their mailing dates (subject, however, to applicable corporate statutes and by-laws).

Conclusion

While the updated guidance is a welcome development, Public Companies Soliciting Proxies should continue to ensure that broker searches are initiated with sufficient lead time to allow for timely distribution of proxy material sets to all beneficial owners. If you have any questions regarding this development or its application to your upcoming shareholder meetings, please contact a member of our team.

¹ This includes domestic U.S. companies and non-U.S. companies that no longer qualify for foreign private issuer ("FPI") status.

² FPIs are generally exempt from the SEC proxy rules under Rule 3a12-3(b).

This alert is for general informational purposes only and should not be construed as specific legal advice. If you would like more information about this alert, please contact one of the following attorneys or call your regular Patterson contact.

Herman H. Raspé
Jean-Claude Lanza
Michael Farinacci

212.336.2301
212.336.2022
212.336.2681

hhraspe@pbwt.com
jlanza@pbwt.com
mfarinacci@pbwt.com

To subscribe to any of our publications, call us at 212.336.2000, email mktg@pbwt.com or sign up on our website, <https://www.pbwt.com/subscribe/>.

This publication may constitute attorney advertising in some jurisdictions.
© 2026 Patterson Belknap Webb & Tyler LLP

Patterson Belknap Webb & Tyler LLP
1133 Avenue of the Americas
New York, NY 10036-6710
212.336.2000
www.pbwt.com