Patterson Belknap

Cross-Border Capital Markets Alert
August 13, 2026

Part 3 of a 3-Part Series

SEC Proposes Regulation E-Delivery: Practical Implications

On July 16, 2026, the U.S. Securities and Exchange Commission (the "SEC" or "Commission") proposed Regulation E-Delivery[1], a new regulatory framework that would permit covered entities to deliver required information to investors and other recipients electronically as the default method, without first obtaining affirmative consent. Comments on the proposal are due September 21, 2026, and the Commission proposes a two-year compliance period following any final rule adoption.

In Part 1 of this series, we provided an overview of proposed Regulation E-Delivery and defined its key concepts, including covered entities, covered information, and covered recipients. In Part 2, we explained how electronic delivery would function under the proposed rule. In Part 3, we address the practical implications and the potential economic impact of Regulation E-Delivery implementation for covered entities.

Practical Implications for Covered Entities

Although the two-year compliance period included in the Regulation E-Delivery proposal provides a generous runway, the required operational build-out is substantial. Covered entities should begin assessing the proposal's impact now, given the breadth of delivery obligations and the coordination required with various service providers.

Key Operational Considerations

- Delivery Obligation Inventory. Analyze and catalog all federal securities law delivery obligations that apply to your organization. Classify each item of covered information, noting whether it contains PFI[2].

- Current-State Gap Analysis. Compare your organization's existing e-delivery practices (including any reliance on the 1995/1996 Guidance[3] or E-SIGN[4] consent) against the proposed Regulation E-Delivery requirements to identify gaps.

- Account Opening and Onboarding Mechanics. Review customer and client onboarding disclosures and workflows to ensure compliance with the pre-delivery disclosure requirement. Determine whether existing consent language needs revision or replacement.

- Opt-Out, Paper Copy, and Address Update Procedures. Establish or update procedures for recipients to opt out of e-delivery, request paper copies (within three business days), and update their electronic address—all at no charge.

- Failed Delivery Policies. Develop or enhance written policies and procedures for identifying and remediating failed deliveries (*e.g.*, email bounce backs, undeliverable text messages).

- Website Availability. Confirm that your website infrastructure can meet the availability, retention (one year or three years), access-control, readability, and printability requirements.

- PFI Safeguards. For information containing PFI, evaluate and determine whether current access controls (*i.e.*, password, multifactor authentication, biometrics, encryption) meet the "reasonably designed to safeguard" standard.

- Transition Notice Logistics. For recipients currently receiving paper notices, plan the 180-day initial notice and 30-day follow-up notice mailings. Be sure to track opt-outs and address updates received in response.

- Service Provider Agreements. Review (and renegotiate as needed) agreements with transfer agents, proxy service providers, intermediaries, printers, mailing vendors, portal providers, and cybersecurity vendors to align responsibilities.

- Proxy Season and Tender Offer Impacts. Consider how the amendments to Regulations 14A and 14C, Rule 14d-5, and the rescission of Rule 30e-3 would affect your annual meeting, proxy distribution, and any pending or planned tender offers.

Economic Impact

The SEC estimates that approximately 42,000 covered entities would rely on Regulation E-Delivery and that the proposed framework would generate aggregate annual cost savings of approximately $463 million, largely from reduced paper, printing, and mailing expenses. Chairman Atkins emphasized that "[d]efault paper delivery results in a constant source of unnecessary expenses that are paid for by American investors and reduce their investment returns," adding: "[i]n an age of artificial intelligence and blockchain technology, a default to paper delivery should be a relic, not a standard."[5]

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This three-part series has provided a comprehensive overview of proposed Regulation E-Delivery—from its foundational concepts and scope (Part 1), to its operational mechanics including delivery methods, opt-out rights, and transition requirements (Part 2), to the practical compliance considerations covered entities should begin addressing now (Part 3). If adopted, Regulation E-Delivery would mark a significant shift from the SEC's longstanding required affirmative opt-in approach to electronic delivery, and bring notice delivery into closer alignment with how investors and market participants commonly communicate today. A consolidated version of this series is available here.

Covered entities should begin assessing how Regulation E-Delivery, if adopted, could affect their investor communication practices and compliance operations. Our Capital Markets team will continue to monitor developments. Please reach out to a member of our team for help assessing how proposed Regulation E-Delivery could affect your company.

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.

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[1] SEC Release Nos. 33-11430; 34-105921; 39-2564; IA-6980; IC-36252; File No. S7-2026-25; RIN 3235-AN57, *Electronic Delivery of Information Under the Federal Securities Laws* (July 16, 2026) (the "Proposing Release"), available at https://www.sec.gov/rules/proposed/2026/33-11430.pdf

[2] Personal Financial Information.

[3] Use of Electronic Media for Delivery Purposes, Investment Company Act Release No. 21399 (Oct. 6, 1995) 60 FR 53458 (Oct. 13, 1995) ("1995 Guidance"); Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information, Investment Company Act Release No. 21945 (May 9, 1996) 61 FR 24644 (May 15, 1996)("1996 Guidance").

[4] The Electronic Signatures in Global and National Commerce Act, Public Law 106-229 (114 Stat. 464) (2000)

[5] Statement of Chairman Paul S. Atkins, *Statement on Regulation E-Delivery* (July 16, 2026), available at https://www.sec.gov/newsroom/speeches-statements/atkins-statement-regulation-e-delivery-07-16-26