NASAA

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September 21, 2026

Submitted By SEC Webform
Vanessa A. Countryman, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File No. S7-2026-25: Electronic Delivery of Information Under the Federal Securities Laws

Dear Ms. Countryman:

On behalf of the North American Securities Administrators Association, Inc. ("NASAA"),[1] I am writing in response to U.S. Securities and Exchange Commission ("SEC" or the "Commission") Release No. 33-11430, *Electronic Delivery of Information Under the Federal Securities Laws* (the "Proposal"). The Proposal would change the SEC's basic approach for the delivery of securities filings to investors from one of paper default with the option for electronic delivery ("e-delivery") to e-delivery default with the option for paper. The Commission's objectives are to reduce printing and mailing costs for issuers and other entities that distribute paper disclosures, update the SEC's rule regime with a single e-delivery standard, and make the disclosure process more efficient.[2] If the Commission moves forward with the Proposal, NASAA recommends (i) all current customers be included in the proposed Regulation E-Discovery transition process, and (ii) the transition process not employ an opt-out standard to receive paper (as currently proposed).

I. Recommended Changes to the Proposal

NASAA has concerns with the potential adverse consequences the Commission's proposed transition process may have on existing customer accounts and relationships. The Proposal would permit covered entities to migrate their existing paper customers to e-delivery so long as covered entities have electronic addresses for these individuals and send them two notices that they will be migrated to e-delivery unless they affirmatively opt-out. NASAA believes these customers should

1 Organized in 1919, NASAA is the oldest international organization devoted to investor protection. NASAA's membership consists of the securities administrators in the 50 states, the District of Columbia, Canada, México, Puerto Rico, the U.S. Virgin Islands, and Guam. NASAA is the voice of securities agencies responsible for grass-roots investor protection and efficient capital formation.

2 *See* Proposal at 42-53.

only be migrated to e-delivery by opting-in. It would be more prudent for the Commission to assume that covered recipients who currently receive paper intend to do so, and it would not be appropriate to automatically transition such customers to e-delivery unless they affirmatively elect to keep using paper (as proposed).[3]

There are foreseeable problems with the proposed approach: covered entities may have incorrect electronic addresses for covered recipients (resulting in their not receiving disclosures upon the automatic transition to e-delivery); covered entities may have out-of-date physical addresses for covered recipients (resulting in their not receiving paper notices of their impending change to e-delivery); covered recipients may want paper for only certain types of covered information (such as tax documents or account statements) or a limited set of accounts (such as a trusteeship), which may be upset through an automatic transition to e-delivery; or covered recipients may simply not be in a position to make an informed decision at the time of the planned transition.[4] In addition, many Americans do not have broadband internet access, making it difficult for them to download and review large files.[5] Individuals in such circumstances should not be defaulted into e-delivery.

Changing the proposed transition process for customers currently receiving paper from opt-out to opt-in for e-delivery would obviate all these risks. While this may result in fewer accounts being transitioned to e-delivery than the Proposal's opt-out approach, that would be an acceptable tradeoff for ensuring that current investor choices are not unexpectedly disrupted. The Commission is proposing a fundamental change in how disclosures are delivered to investors, even in cases where those decisions may have been in place for many years. Existing customer relationships should be disrupted as little as possible in making this change.

The Proposal provides for a two-year transition period during which covered entities could migrate their internal systems and their existing customer base to the new Regulation E-Delivery paradigm. NASAA recommends that the SEC offer covered entities more time to complete the transition process.[6] Changing to default e-delivery could require significant re-plumbing of a covered entity's compliance systems and procedures. Covered entities also might want to delay transitioning their customer base if they have other, more significant, internal compliance projects already pending. Accordingly, we would recommend allowing covered entities five years to

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3 *See* Question 107, *id.* at 124.

4 *See* Questions 102-07, *id.* at 122-24.

5 The Proposal cites findings from the Federal Communications Commission to conclude that "nearly all areas of the U.S." have access to broadband internet. *See id.* at 14. However, the Pew Research Center finds that only 78% of Americans have broadband internet—and that this percentage has remained relatively constant over the past ten years. *See* Pew Research Center Internet, Broadband Fact Sheet (Nov. 20, 2025). These two data points demonstrate that access does not equal delivery: virtually the entire country is wired for broadband yet one in five Americans (rising to three in ten for older Americans) cannot avail themselves of it. *See id.*

6 *See* Question 173, *id.* at 205.

complete the transition process to Regulation E-Delivery, or such other transition period that reflects the consensus of industry in response to the Proposal.

We also recommend that covered entities seeking to migrate existing customers to default e-delivery be required to deliver a notice to every existing covered recipient, not just those who currently receive paper (as proposed).[7] Sending a notice to all covered recipients will ensure that all of a covered entity's customers receive consistent information about the covered entity's planned transition to default e-delivery and the implications of this change for their own accounts. Covered recipients who already accept e-delivery presumably will take no action upon receiving this notice (though perhaps some may). Notifying everyone will also ensure that covered recipients who currently accept e-delivery will receive notice that they can change their minds at any time and request to receive part or all of their disclosures on paper at no cost.[8]

Finally, the Commission asks in the Proposal whether Regulation E-Delivery could interfere with state escheatment laws and the procedures through which covered entities identify abandoned property.[9] This is an important concern, but one the Commission can easily resolve. The Commission should make clear that Regulation E-Delivery is not intended to—and it does not—preempt any state escheatment law or rule. Such a statement would ensure that covered entities will look only to the relevant state escheatment laws for their obligations in handling potentially abandoned property.

II. Conclusion

NASAA appreciates the Commission's goal to improve efficiencies and reduce costs for covered entities but, as explained above, has concerns with the Commission's approach. Thank you for considering these views. Should you have any questions about this letter, please contact either the undersigned or NASAA's General Counsel, Vince Martinez, at (202) 737-0900.

Sincerely,

Marni Rock Gibson

Marni Rock Gibson
NASAA President

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7 *See* Question 37, *id.* at 66. The method of delivery for these notices would, of course, adhere to the standards already in use by each covered recipient.

8 *See* Questions 74 & 75, *id.* at 98-99.

9 *See* Question 89, *id.* at 108-09.