

117TH CONGRESS
2D SESSION

H. R. 9570

To direct the Securities and Exchange Commission to promulgate rules with respect to the electronic delivery of certain required disclosures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2022

Mr. HUIZENGA (for himself and Mr. AUCHINCLOSS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To direct the Securities and Exchange Commission to promulgate rules with respect to the electronic delivery of certain required disclosures, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Disclosure
5 for Investors Act of 2022”.

6 **SEC. 2. ELECTRONIC DELIVERY.**

7 (a) PROMULGATION OF RULES.—Not later than 180
8 days after the date of the enactment of this section, the
9 Securities and Exchange Commission shall propose and,

1 not later than 1 year after the date of the enactment of
2 this section, the Commission shall finalize, rules, regula-
3 tions, amendments, or interpretations, as appropriate, to
4 allow a covered entity to satisfy the entity's obligation to
5 deliver regulatory documents required under the securities
6 laws to investors using electronic delivery.

7 (b) REQUIRED PROVISIONS.—Rules, regulations,
8 amendments, or interpretations the Commission promul-
9 gates pursuant to subsection (a) shall:

10 (1) With respect to investors that do not receive
11 all regulatory documents by electronic delivery, pro-
12 vide for—

13 (A) delivery of an initial communication in
14 paper form regarding electronic delivery;

15 (B) a transition period not to exceed 180
16 days until such regulatory documents are deliv-
17 ered to such investors by electronic delivery;
18 and

19 (C) during a period not to exceed 2 years
20 following the transition period set forth in sub-
21 paragraph (B), delivery of an annual notice in
22 paper form solely reminding such investors of
23 the ability to opt out of electronic delivery at
24 any time and receive paper versions of regu-
25 latory documents.

1 (2) Set forth requirements for the content of
2 the initial communication described in paragraph
3 (1)(A).

4 (3) Set forth requirements for the timing of de-
5 livery of a notice of website availability of regulatory
6 documents and the content of the appropriate notice
7 described in subsection (h)(3)(B).

8 (4) Provide a mechanism for investors to opt
9 out of electronic delivery at any time and receive
10 paper versions of regulatory documents.

11 (5) Require measures reasonably designed to
12 identify and remediate failed electronic deliveries of
13 regulatory documents.

14 (6) Set forth minimum requirements regarding
15 readability and retainability for regulatory docu-
16 ments that are delivered electronically.

17 (7) For covered entities other than brokers,
18 dealers, investment advisers registered with the
19 Commission, and investment companies, require
20 measures reasonably designed to ensure the con-
21 fidentiality of personal information in regulatory
22 documents that are delivered to investors electroni-
23 cally.

24 (c) EXEMPTION FROM CERTAIN REQUIREMENTS.—
25 Section 101(c) of the Electronic Signatures in Global and

1 National Commerce Act (15 U.S.C. 7001(c)) shall not
2 apply with respect to a regulatory document delivered in
3 accordance with this section.

4 (d) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion shall be construed as altering the substance or timing
6 of any regulatory document obligation under the securities
7 laws or regulations of a self-regulatory organization.

8 (e) TREATMENT OF REVISIONS NOT COMPLETED IN
9 A TIMELY MANNER.—If the Commission fails to finalize
10 the rules, regulations, amendments, or interpretations re-
11 quired under subsection (a) before the date specified in
12 such subsection—

13 (1) a covered entity may deliver regulatory doc-
14 uments using electronic delivery in accordance with
15 subsections (b) through (d); and

16 (2) such electronic delivery shall be deemed to
17 satisfy the obligation of the covered entity to deliver
18 regulatory documents required under the securities
19 laws.

20 (f) OTHER ACTION.—

21 (1) REVIEW OF RULES.—The Commission shall,
22 within 180 days of the date of enactment of this
23 Act—

24 (A) conduct a review of the rules and regu-
25 lations of the Commission to determine whether

1 any such rules or regulations require delivery of
2 written documents to investors; and

3 (B) propose amendments to any identified
4 rules or regulations to eliminate the “in writ-
5 ing” requirement.

6 (2) ACTIONS BY SELF-REGULATORY ORGANIZA-
7 TIONS.—Each self-regulatory organization shall
8 adopt rules and regulations, or amend the rules and
9 regulations of the self-regulatory organization, con-
10 sistent with this Act and consistent with rules, regu-
11 lations, amendments, or interpretations finalized by
12 the Commission pursuant to subsection (a).

13 (3) RULE OF APPLICATION.—This subsection
14 shall not apply to a rule or regulation issued pursu-
15 ant to a Federal statute if that Federal statute spe-
16 cifically requires delivery of written documents to in-
17 vestors.

18 (g) DEFINITIONS.—In this section:

19 (1) COMMISSION.—The term “Commission”
20 means the Securities and Exchange Commission.

21 (2) COVERED ENTITY.—The term “covered en-
22 tity” means—

23 (A) an investment company (as defined in
24 section 3(a)(1) of the Investment Company Act

1 of 1940 (15 U.S.C. 80a–3)) that is registered
2 under such Act;

3 (B) a business development company (as
4 defined in section 2(a) the Investment Company
5 Act of 1940 (15 U.S.C. 80a–2(a))) that has
6 elected to be regulated as such under such Act;

7 (C) a registered broker or dealer (as de-
8 fined in section 3(a)(4) and section 3(a)(5) of
9 the Securities Exchange Act of 1934) (15
10 U.S.C. 78c(a)(4) & 78c(a)(5));

11 (D) a registered municipal securities dealer
12 (as defined in section 3(a)(30) of the Securities
13 Exchange Act of 1934) (15 U.S.C. 78c(a)(30));

14 (E) a registered government securities
15 broker or government securities dealer (as de-
16 fined in section 3(a)(43) and section 3(a)(44) of
17 the Securities Exchange Act of 1934) (15
18 U.S.C. 78c(a)(43) & 78c(a)(44));

19 (F) a registered investment adviser (as de-
20 fined in section 202(a)(11) of the Investment
21 Advisers Act of 1940) (15 U.S.C. 80b–1);

22 (G) a registered transfer agent (as defined
23 in section 3(a)(25) of the Securities Exchange
24 Act of 1934) (15 U.S.C. 78c(a)); or

1 (H) a registered funding portal (as defined
2 in section 3(a)(80) of the Securities Exchange
3 Act of 1934) (15 U.S.C. 78c(a)).

4 (3) ELECTRONIC DELIVERY.—The term “elec-
5 tronic delivery”, with respect to regulatory docu-
6 ments, includes—

7 (A) the direct delivery of such regulatory
8 document to an electronic address of an inves-
9 tor;

10 (B) the posting of such regulatory docu-
11 ment to a website and direct electronic delivery
12 of an appropriate notice of the availability of
13 the regulatory document to the investor; and

14 (C) an electronic method reasonably de-
15 signed to ensure receipt of such regulatory doc-
16 ument by the investor.

17 (4) REGULATORY DOCUMENTS.—The term
18 “regulatory documents” includes—

19 (A) prospectuses meeting the requirements
20 of section 10(a) of the Securities Act of 1933
21 (15 U.S.C. 77j);

22 (B) summary prospectuses meeting the re-
23 quirements of—

24 (i) section 230.498 of title 17, Code of
25 Federal Regulations; or

1 (ii) section 230.498A of title 17, Code
2 of Federal Regulations;

3 (C) statements of additional information,
4 as described under section 270.30e–3(h)(3) of
5 title 17, Code of Federal Regulations;

6 (D) annual and semi-annual reports to in-
7 vestors meeting the requirements of section
8 30(e) of the Investment Company Act of 1940
9 (15 U.S.C. 80a–29(e));

10 (E) notices meeting the requirements
11 under section 270.19a–1 of title 17, Code of
12 Federal Regulations;

13 (F) confirmations and account statements
14 meeting the requirements under section
15 240.10b–10 of title 17, Code of Federal Regula-
16 tions;

17 (G) proxy statements meeting the require-
18 ments under section 240.14a–3 of title 17,
19 Code of Federal Regulations;

20 (H) privacy notices meeting the require-
21 ments of Regulation S–P under subpart A of
22 part 248 of title 17, Code of Federal Regula-
23 tions;

24 (I) affiliate marketing notices meeting the
25 requirements of Regulation S–AM under sub-

1 part B of part 248 of title 17, Code of Federal
2 Regulations; and

3 (J) all other regulatory documents re-
4 quired to be delivered by covered entities to in-
5 vestors under the securities laws and the rules
6 and regulations of the Commission and the self-
7 regulatory organizations.

8 (5) SECURITIES LAWS.—The term “securities
9 laws” has the meaning given the term in section
10 3(a) of the Securities Exchange Act of 1934 (15
11 U.S.C. 78c(a)).

12 (6) SELF-REGULATORY ORGANIZATION.—The
13 term “self-regulatory organization” means—

14 (A) a self-regulatory organization, as de-
15 fined in section 2(a)(26) of the Securities Ex-
16 change Act of 1934 (15 U.S.C. 78c(a)); and

17 (B) the Municipal Securities Rulemaking
18 Board.

19 (7) WEBSITE.—The term “website” means an
20 internet website or other digital, internet, or elec-
21 tronic-based information repository, such as a mobile
22 application, to which an investor of a covered entity
23 has been provided reasonable access.

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