117TH CONGRESS
2D SESSION

H. R. _____

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

Mr. Huizenga introduced the following bill; which was referred to the

Committee on ____________________________

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.

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

SECTION 1. SHORT TITLE.

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

SEC. 2. ELECTRONIC DELIVERY.

(a) PROMULGATION OF RULES.—Not later than 180 days after the date of the enactment of this section, the
Securities and Exchange Commission shall propose and, not later than 1 year after the date of the enactment of this section, the Commission shall finalize, rules, regulations, amendments, or interpretations, as appropriate, to allow a covered entity to satisfy the entity’s obligation to deliver regulatory documents required under the securities laws to investors using electronic delivery.

(b) REQUIRED PROVISIONS.—Rules, regulations, amendments, or interpretations the Commission promulgates pursuant to subsection (a) shall:

(1) With respect to investors that do not receive all regulatory documents by electronic delivery, provide for—

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

(B) a transition period not to exceed 180 days until such regulatory documents are delivered to such investors by electronic delivery; and

(C) during a period not to exceed 2 years following the transition period set forth in subparagraph (B), delivery of an annual notice in paper form solely reminding such investors of the ability to opt out of electronic delivery at
any time and receive paper versions of regulatory documents.

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

(3) Set forth requirements for the timing of delivery of a notice of website availability of regulatory documents and the content of the appropriate notice described in subsection (h)(3)(B).

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

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

(6) Set forth minimum requirements regarding readability and retainability for regulatory documents that are delivered electronically.

(7) For covered entities other than brokers, dealers, investment advisers registered with the Commission, and investment companies, require measures reasonably designed to ensure the confidentiality of personal information in regulatory documents that are delivered to investors electronically.
(c) Exemption From Certain Requirements.—
Section 101(c) of the Electronic Signatures in Global and National Commerce Act (15 U.S.C. 7001(c)) shall not apply with respect to a regulatory document delivered in accordance with this section.

(d) Rule of Construction.—Nothing in this section shall be construed as altering the substance or timing of any regulatory document obligation under the securities laws or regulations of a self-regulatory organization.

(e) Treatment of Revisions Not Completed in a Timely Manner.—If the Commission fails to finalize the rules, regulations, amendments, or interpretations required under subsection (a) before the date specified in such subsection—

(1) a covered entity may deliver regulatory documents using electronic delivery in accordance with subsections (b) through (d); and

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

(f) Other Action.—

(1) Review of Rules.—The Commission shall, within 180 days of the date of enactment of this Act—
(A) conduct a review of the rules and regulations of the Commission to determine whether any such rules or regulations require delivery of written documents to investors; and

(B) propose amendments to any identified rules or regulations to eliminate the “in writing” requirement.

(2) ACTIONS BY SELF-REGULATORY ORGANIZATIONS.—Each self-regulatory organization shall adopt rules and regulations, or amend the rules and regulations of the self-regulatory organization, consistent with this Act and consistent with rules, regulations, amendments, or interpretations finalized by the Commission pursuant to subsection (a).

(3) RULE OF APPLICATION.—This subsection shall not apply to a rule or regulation issued pursuant to a Federal statute if that Federal statute specifically requires delivery of written documents to investors.

(g) DEFINITIONS.—In this section:

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

(2) COVERED ENTITY.—The term “covered entity” means—
(A) an investment company (as defined in section 3(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a–3)) that is registered under such Act;

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

(C) a registered broker or dealer (as defined in section 3(a)(4) and section 3(a)(5) of the Securities Exchange Act of 1934) (15 U.S.C. 78c(a)(4) & 78c(a)(5));

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

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

(F) a registered investment adviser (as defined in section 202(a)(11) of the Investment Advisers Act of 1940) (15 U.S.C. 80b-1);
7

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

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

(3) ELECTRONIC DELIVERY.—The term “electronic delivery”, with respect to regulatory documents, includes—

(A) the direct delivery of such regulatory document to an electronic address of an investor;

(B) the posting of such regulatory document to a website and direct electronic delivery of an appropriate notice of the availability of the regulatory document to the investor; and

(C) an electronic method reasonably designed to ensure receipt of such regulatory document by the investor.

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

(A) prospectuses meeting the requirements of section 10(a) of the Securities Act of 1933 (15 U.S.C. 77j);
(B) summary prospectuses meeting the requirements of—

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

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

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

(D) annual and semi-annual reports to investors meeting the requirements of section 30(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-29(e));

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

(F) confirmations and account statements meeting the requirements under section 240.10b-10 of title 17, Code of Federal Regulations;

(G) proxy statements meeting the requirements under section 240.14a-3 of title 17, Code of Federal Regulations;

(H) privacy notices meeting the requirements of Regulation S-P under subpart A of
part 248 of title 17, Code of Federal Regulations;

(I) affiliate marketing notices meeting the requirements of Regulation S-AM under subpart B of part 248 of title 17, Code of Federal Regulations; and

(J) all other regulatory documents required to be delivered by covered entities to investors under the securities laws and the rules and regulations of the Commission and the self-regulatory organizations.

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

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

(A) a self-regulatory organization, as defined in section 2(a)(26) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)); and

(B) the Municipal Securities Rulemaking Board.

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