FACT SHEET

Modernization of Proxy Solicitation Rules

On Sept. 16, 2026, the Securities and Exchange Commission proposed amendments to the federal proxy rules related to the solicitation of proxies. The proposal is intended to reduce compliance burdens for companies, without sacrificing investor protections, by accounting for technological advances and developments in modern shareholder communication methods since the rules were adopted or amended.

Background

The federal proxy rules are the framework under Regulation 14A of the Securities Exchange Act of 1934 that governs how companies and others solicit proxies to vote at shareholder meetings. For many of the rules, it has been decades since they were adopted or amended, making them ripe for modernization to account for developments in both communication and technology.

Highlights of the Proposing Release

The proposing release would amend certain rules and forms in a manner intended to modernize the proxy solicitation process.

Elimination of Delivery of Annual Reports to Security Holders

For companies that have a Form 10-K already on file for their most recent fiscal year, the proposal would eliminate the need to comply with separate annual report to security holders (ARS) disclosure requirements.

The information currently required to be included in the ARS largely overlaps with the information required in the Form 10-K. Both must include, among other items, financial statements and management's discussion and analysis of financial condition and results of operations. The proposal would also eliminate the stock performance graph in ARS filings for all companies other than investment companies, which would provide the graph in their Forms 10-K.

Given that Form 10-K or an ARS is easily accessible on EDGAR, the proposed amendments intend to eliminate this redundancy by rescinding the obligation to deliver the ARS.

Elimination of Delivery Deadline When Documents Are Incorporated by Reference Into the Proxy Statement

The proposal would eliminate the requirement that a company send its proxy statement to shareholders no later than 20 business days prior to the date of the relevant shareholder meeting, if information is incorporated by reference in its proxy statement.

The current 20-business-day requirement is no longer necessary because the filings incorporated by reference are easily accessible to investors via EDGAR. To the extent that investors request copies of the filings, companies today have the means to send such filings electronically.

Elimination of Requirement to Submit Notice of Exempt Solicitation

The proposal would rescind Rule 14a-6(g), which currently requires large shareholders to submit a Notice of Exempt Solicitation on EDGAR if they conduct certain written exempt solicitations.

The proposed amendments would eliminate Notices of Exempt Solicitation altogether, whether required or voluntary. Voluntary notices constitute the vast majority of such notices submitted in recent years.

The proposal is intended to reduce potential investor confusion caused by the substantial number of voluntary filings not contemplated by the rule and improve the accessibility of information for investors on companies' EDGAR pages. The proposed amendments would also reduce compliance burdens for large shareholders currently required to submit Notices of Exempt Solicitation.

Shortening the Minimum Broker Search Period

Currently, companies are required to ask their record holders, using a search card or otherwise for the number of proxy materials needed by the record holders to forward to customers who are beneficial owners of the company. This process is commonly referred to as a "broker search."

Technological advancements, in particular widespread adoption of the internet and related digital communication tools, have led to significantly more efficient coordination among the intermediaries involved in the broker search process. Accordingly, the proposal would shorten the minimum broker search period from 20 business days to five business days.

Contact Information on Proxy Statements, and Technical Amendments

The proposed amendments would revise the cover pages of Schedule 14A and Schedule 14C to require contact information for a representative who can respond to questions or comments regarding the filing. The proposal would also make various technical amendments to remove obsolete references and correct typographical errors in the proxy rules.

What's Next

The public comment period will remain open for 60 days following the publication of the proposing release in the Federal Register.