

MEMO# 31238

June 5, 2018

SEC Finalizes Rule 30e-3 and Releases Requests for Comment on Processing Fees and Modernizing Fund Disclosure

[31238]

June 5, 2018 TO: ICI Members SUBJECTS: Compliance
Disclosure

Distribution RE: SEC Finalizes Rule 30e-3 and Releases Requests for Comment on
Processing Fees and Modernizing Fund Disclosure

The Commission voted yesterday to issue three releases related to improving fund disclosure.[\[1\]](#) First, we are very pleased to report that the Commission voted to adopt Rule 30e-3, which provides a new, optional “notice and access” method for delivering fund shareholder reports.[\[2\]](#) Second, the Commission issued a request for comment, inviting investors and others to share their views on improving fund disclosure.[\[3\]](#) Third, the Commission issued a release seeking feedback on the fees that intermediaries charge for delivering fund reports.[\[4\]](#) Comment is due to the Commission on the requests for comment by October 31, 2018.

The final rule and the two requests for comment each are briefly described below. We also provide for your reference links to the Commissioners’ public statements.[\[5\]](#) We will publish an additional, more detailed memorandum describing the releases in the near future and will be scheduling member calls to discuss the two requests for comment.

New Rule 30e-3

Rule 30e-3 creates an optional “notice and access” method for delivering shareholder reports. Under the rule, a fund may deliver its shareholder reports by making them publicly accessible on a website, free of charge, and sending investors a paper notice of each report’s availability by mail. Investors who prefer to receive the full reports in paper may—at any time—choose that option free of charge. Funds may rely on the new rule beginning no earlier than January 1, 2021.

Request for Comment on Fund Retail Investor Experience and Disclosure

The Commission also published a release that seeks public comment on additional ways to modernize fund information. This input will help inform the Commission on how to modernize the design, delivery and content of fund information, including shareholder

reports, prospectuses, and advertisements. It also requests comment on manner of delivery and how to make disclosure more interactive and personalized.

Request for Comment on Processing Fees Intermediaries Charge for Forwarding Fund Materials

The Commission is seeking comment on the framework for certain processing fees that broker-dealers and other intermediaries charge funds for delivering fund shareholder reports and other materials to investors.

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endnotes

[1] *Press Release: SEC Modernizes the Delivery of Fund Reports and Seeks Public Feedback on Improving Fund Disclosure* (June 5, 2018), available at <https://www.sec.gov/news/press-release/2018-103>.

[2] *Final Rule: Optional Internet Availability of Investment Company Shareholder Reports*, SEC Rel. Nos. 33-10506, 34-83380, IC-33115 (June 5, 2018), available at <https://www.sec.gov/rules/final/2018/33-10506.pdf>.

[3] *Request for Comment on Fund Retail Investor Experience and Disclosure*, SEC Rel. Nos. 33-10503, 34-83376, IC-33113 (June 5, 2018), available at <https://www.sec.gov/rules/other/2018/33-10503.pdf>.

[4] *Request for Comments on the Processing Fees Charged by Intermediaries For Distributing Materials Other Than Proxy Materials to Fund Investors*, SEC Rel. Nos. 33-10505, 34-83379, IC-33114 (June 5, 2018), available at <https://www.sec.gov/rules/other/2018/33-10505.pdf>.

[5] Statement by Chairman Jay Clayton on Investment Company Design, Delivery and Disclosures Rulemaking Package (June 5, 2018), available at <https://www.sec.gov/news/public-statement/statement-clayton-060518>; Statement by Commissioner Michael Piwowar on Investment Company Rule 30e-3, Enabling Optional Internet Availability of Shareholder Reports (June 5, 2018), available at <https://www.sec.gov/news/public-statement/statement-piwowar-060518>; Statement by Commissioner Kara Stein on Final Rule on the Optional Internet Availability of Investment Company Shareholder Reports, Request for Comment on the Investor Experience, and Request for Comment on Intermediary Fees (June 5, 2018), available at <https://www.sec.gov/news/public-statement/statement-stein-060518>; and Statement by Commissioner Hester Peirce on Optional Internet Availability of Investment Company Shareholder Reports (June 5, 2018), available at <https://www.sec.gov/news/public-statement/statement-peirce-060518>.

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