

# ADOPTION OF NEW RULE 30E-3

The U.S. Securities and Exchange Commission (SEC) has adopted new Rule 30e-3 under the Investment Company Act of 1940, creating an optional “notice and access” method for the delivery of registered fund shareholder reports.

The rule would permit funds to fulfill obligations to deliver annual and semi-annual shareholder reports by making them available on the funds’ website and sending investors a paper notice of each report’s availability by mail. Funds will be required to meet certain conditions in order to rely on the rule, including but not limited to:

- The shareholder reports must be made available on a specified public website, free of charge.
- Paper notices must be delivered to shareholders, providing the website address where the reports and other required information is available, and including instructions on how to request a free paper copy of the report or elect paper transmission in the future.
- Upon request, funds must provide a paper copy of the materials free of charge.
- Other conditions must be met around format and location of the electronic reports, and quarterly holdings must be available online.

There will be an extended transition period for the rule, but funds will be required to provide two years notice to shareholders. The text of the rule will be published to the SEC’s website and the Federal Register.

The long-anticipated rule has been a topic of interest and much discussion in industry. Concurrent with the rule release, the SEC is also requesting public comment on enhancing fund disclosure to improve the investor experience, and on processing fees that intermediary firms may assess for forwarding fund materials.

Additional information may be found [here](#). Please contact your Northern Trust representative if you have questions or visit [northerntrust.com](http://northerntrust.com).

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The earliest that funds can begin relying on the rule is January 1, 2021

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