

Hey! What's New? 2024-138

Statement on Electronic Filing

Gary Gensler, Chairman of the US Securities and Exchange Commission, just released a statement saying that the SEC has approved a final rule to require broker-dealers, securities-based swap dealers, exchanges, clearing agencies and other self-regulatory organizations to submit forms electronically. "I am pleased to support this adoption," he said, "because it would improve the efficiency of our markets by modernizing the filing process for a wide range of registrants."

We live in a digital age, he pointed out, "in which technology and electronic trading have transformed our markets. In 2024, one might think that all filings to the Commission already could be made electronically. That's not yet true. The Commission oversees thousands of broker-dealers, the vast majority of whom submit annual audit reports. While many filers voluntarily submit these audits electronically, nearly half submitted them on paper last year."

In the digital era, he continued, "such paper filings have become unnecessarily burdensome and impractical for both filers and the Commission. It costs investors money and time to travel to the SEC's reading room. It costs the SEC money and time to process paper filings. Further, as we saw during the spread of COVID-19, Commission staff couldn't access such physical copies onsite."

The amendments Gensler spoke of will, for the first time, require electronic filing for a significant majority of the remaining paper filings. Registrants will file electronically a range of annual and quarterly forms currently filed on paper. "For instance, brokers and other filers need to submit electronically their annual audit filings and risk assessment reports."

The amendments also require forms to be submitted through the Commission's Electronic Data Gathering, Analysis, and Retrieval system, commonly known as EDGAR. The Commission started to require electronic filings through EDGAR in April 1993. Brokers have been able to electronically file their annual audits through EDGAR since 2015.

Gensler noted that, "by streamlining the Commission's filing and processing under one system, the amendments will aid the Commission's oversight function more broadly, thereby ensuring that registrants are compliant with Congress's laws and our rules."

Finally, he added, "the amendments require filings and submissions be made in a structured, machine-readable data language where appropriate. Such requirements will benefit investors and markets by making the filings more transparent, accessible and usable within the disclosures. They also help the Commission be more efficient in retrieving, aggregating, and comparing data across different filers and time periods — thus, saving the Commission time and resources."

Today's amendments, Gensler stressed, "build on more than 20 years of Commission actions to modernize filing and recordkeeping requirements. I'm pleased that the Commission has taken the next step towards updating our requirements for the digital age."

Read the statement at [SEC.gov | Statement on Electronic Filing](https://www.sec.gov/Statement-on-Electronic-Filing).

