

SEC Eases Timing Requirements for Broker Searches

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On January 23, 2026, the Securities and Exchange Commission (SEC) published a new compliance and disclosure interpretation in [Question 133.02](#) that provides public companies with greater flexibility to condense the broker searches in connection with their stockholder meetings. Under this new interpretation, registrants may conduct the broker search less than 20 business days before the record date for the meeting, so long as the company reasonably believes that proxy materials will be disseminated to beneficial owners on time and otherwise complies with Rule 14a-13 under the Securities Exchange Act of 1934 (Exchange Act).

THE BROKER SEARCH REQUIREMENT: RULE 14A-13

Exchange Act Rule 14a-13 requires registrants to inquire of record holders how many copies of proxy materials that intermediaries need to deliver to beneficial owners to ensure that they receive voting materials. The rule has long specified that this inquiry must occur at least 20 business days before the record date for the stockholder meeting, with record holders required to respond within seven business days of receipt. These time frames were adopted in 1986 and reflect the operational realities of that era: physical mailings, manual count reconciliation, and longer print and distribution cycles.

Since 1986, technology has transformed how intermediaries process these requests. Automated workflows, electronic delivery, and improved coordination among brokers, banks, and distribution agents have materially shortened the time actually needed to complete a broker search. Despite these advancements, the text of the rule remained unchanged.

WHAT THE STAFF'S POSITION CHANGES

The January 2026 Compliance and Disclosure Interpretation acknowledges the reality of the broker search process today compared to when the rule was adopted 40 years ago. Under the new guidance, the SEC staff will not object to a broker search conducted during the 20-business-day window, provided that two conditions are met:

1. the registrant must reasonably believe that proxy materials will reach beneficial owners on time; and
2. the registrant must otherwise comply with the requirements of Rule 14a-13.

Notably, the SEC did not amend Rule 14a-13. Compliance with the new interpretation hinges on the registrant's reasonable belief that proxy materials will reach beneficial owners on time. Companies need to review their planning assumptions, vendor commitments, and intermediary confirmations in evaluating whether they can comply. The underlying obligation to ensure timely dissemination remains intact. Companies that shorten their timelines and miss delivery windows as a result will still face consequences for noncompliance with the rule.

GOING FORWARD

Companies may now set record dates with shorter lead times for the broker search, which may be particularly useful when board approval of agenda items for the stockholder meeting or the company's audited financial statements occurs later than expected. This flexibility can also help issuers synchronize proxy mailings with earnings releases or other investor communications.

That said, tighter timelines can introduce additional risk and registrants must be internally ready to manage the process on a shorter timetable. The seven-business-day response window for record holders still applies, so registrants that start later must be prepared to act quickly once counts arrive.

Winston's Capital Markets and Securities Law Watch will continue to monitor developments and will provide our readers with additional updates as they become available. For more information, or if you have any questions, please contact the authors of this blog post or your regular Winston contacts.

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