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The SEC has amended Rule 15c2-12 providing for new disclosure obligations for issuers of debt outside the municipal bond market.

Washington D.C., Aug. 20, 2018 —

The Securities and Exchange Commission adopted amendments to enhance transparency in the municipal securities market. The adopted amendments to Rule 15c2-12 of the Securities Exchange Act will focus on material financial obligations that could impact an issuer's liquidity, overall creditworthiness, or an existing security holder's rights.

"Our municipal securities market is a \$3.844 trillion dollar market, with new issuances of approximately \$448.1 billion in 2017. Our Main Street investors are exposed to this market through many channels, including through mutual funds, money market funds, closed-end funds, and exchange-traded funds," said Chairman Jay Clayton. "Disclosures required by these rule amendments will better equip investors and intermediaries to make informed investment decisions about municipal securities."

Rule 15c2-12 of the Securities Exchange Act requires brokers, dealers, and municipal securities dealers that are acting as underwriters in primary offerings of municipal securities to reasonably determine that the issuer or obligated person has agreed to provide to the Municipal Securities Rulemaking Board (MSRB) timely notice of certain events. Today's amendments add two new events to the list included in the rule:

- Incurrence of a financial obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the issuer or obligated person, any of which affect security holders, if material; and
- Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the issuer or obligated person, any of which reflect financial difficulties.

The compliance date for the amendments is 180 days after they are published in the Federal Register.

Here is the link to the SEC press release:
<https://www.sec.gov/news/press-release/2018-158>.



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