

# **Bond Case Briefs**

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## **SIFMA Issues Updated MSRB Rule G-17 Model Risk Disclosure Documents.**

New York, NY, January 13, 2021 - SIFMA today announced updates to its set of [G-17 Model Risk Disclosure Documents](#) to help municipal securities underwriters comply with the recently amended requirements for disclosure to municipal issuers set forth by the revised interpretive guidance to Municipal Securities Rulemaking Board (MSRB) Rule G-17.

The new documents update existing risk disclosures required for complex municipal securities financings, including floating rate notes, fixed rate bonds, interest rate swaps, forward delivery bonds, tender offer bonds and variable rate demand obligations (VRDOs).

"SIFMA created our G-17 model underwriter documents in 2012 to assist underwriters in their compliance with the Rule. In May 2020 we revised our G-17 model underwriter disclosure documents to reflect the changes the MSRB made to the guidance, and we now offer updated versions of model risk disclosures as well," said Bernard Canepa, vice president and assistant general counsel, SIFMA. "The latest versions include clearer drafter's notes to make it easier to utilize the model documents, address the transition away from LIBOR with ARRC fallback language, and add the disclosure of additional risks not previously included in the model documents."

The MSRB established a compliance date of March 31, 2021 (extended as a result of the COVID-19 pandemic) for its amended and restated guidance regarding the fair dealing obligations underwriters owe to issuers of municipal securities under MSRB Rule G-17, which covers the conduct of both municipal securities and municipal advisory activities.

SIFMA recommends that underwriters update their internal processes and continue to educate their public finance departments and issuer clients about the coming changes. SIFMA also plans to introduce six new model risk disclosures in the near future to further assist underwriters in complying with Rule G-17.