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MSRB Urges SEC to Revisit Its Municipal Market Disclosure Rule.

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) today urged the Securities and Exchange Commission (SEC) to conduct an extensive review of the disclosure requirements in the municipal securities market outlined in SEC Rule 15c2-12. The MSRB pledged its support for a thorough review of the rule in a letter submitted to the SEC in response to a request for comment on the collection of information under the rule mandated by the Paperwork Reduction Act.

"The MSRB recognizes that the SEC is fulfilling its duty to regularly review the volume of regulatory paperwork involved in complying with its rules," said MSRB Executive Director Lynnette Kelly. "However we are taking this opportunity to encourage more extensive dialogue about the federal disclosure framework by urging the SEC to conduct a wholesale re-examination of the rule and consider potential changes to improve its operation and reflect current market practices." SEC Rule 15c2-12 was adopted in 1989 and last amended in 2010.

Since 2009, the MSRB's Electronic Municipal Market Access (EMMA®) website has served as the SEC-designated centralized platform for disclosure of offering documents and continuing disclosures under SEC Rule 15c2-12. The MSRB maintains EMMA with the goal of facilitating public access to disclosure information and minimizing the burden on dealers and issuers of compliance with disclosure requirements.

"The availability of information about municipal issuers and their debt obligations on the EMMA website is essential to the integrity of the municipal securities market and the protection of investors," Kelly said.

In its letter, the MSRB noted that changes in the municipal market, including the increasing prevalence of bank borrowing by issuers, necessitates an extensive look at the disclosure regime. The letter encourages the SEC to look to its disclosure standards for the corporate market as a precedent for disclosure of off-balance sheet obligations such as bank loans. "Requiring similar reporting by municipal issuers would address our concerns about these obligations that are not subject to Rule 15c2-12 and therefore are not now reported," the MSRB's letter says. "The MSRB believes that the availability of timely disclosure of additional debt in any form and debt-like obligations is essential to foster market transparency and to ensure a fair and efficient municipal market."

The MSRB first encouraged state and local governments in 2012 to make information about their bank loans publicly available on a voluntary basis on the EMMA website. Read about the MSRB's market leadership on municipal market disclosure.

[Read the MSRB's comment letter to the SEC on Rule 15c2-12.](#)

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