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SIFMA Statement on SEC MCDC Enforcement Action.

New York, NY, August 24, 2016 - SIFMA today released the following statement from Kenneth E. Bentsen, Jr., president and CEO of SIFMA, on the MCDC enforcement action announced today by the Securities and Exchange Commission:

“SIFMA supports a robust disclosure regime in the municipal market to ensure that investors have timely access to the information they need to evaluate their investments. We have serious concerns about how the SEC executed the MCDC Initiative. Given the widespread nature of the enforcement actions by the SEC, first against dealers and now against issuers, we believe that broad changes in regulation and practices are warranted.

“To that end, as outlined in our June 2016 letter to SEC Chair White and in our April 2016 white paper, we urge the SEC to revise and update Rule 15c2-12 to improve interpretive guidance with respect to compliance. We also encourage the MSRB to leverage its existing infrastructure and technology to improve investor access to disclosures. In addition, as found in our recent 50-state review of state policies governing local government bond issuance, information disclosure and financial audits, we believe the states are in a unique position to improve municipal disclosure and would like to see states adopt policies to insure that local government issuers, at a minimum, meet all federal and contractual requirements.”

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