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SIFMA Issues New MSRB Rule G-17 Model Risk Disclosure Documents for Additional Products.

New York, NY, February 2, 2021 – SIFMA today announced it has made new additions 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 model disclosure documents cover the following products:

1. Capital Appreciation Bonds (CABs)
2. Commercial Paper (CP)
3. Convertible Advance Refunding (Cinderella) Bonds
4. Variable-Rate Remarketed Obligations (VROs)
5. Exchange Offers

“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 in early 2021 we offered newly updated versions of our model risk disclosures as well,” said Bernard Canepa, SIFMA vice president and assistant general counsel. “As part of these efforts, our members requested that we create additional model risk disclosures for other products, to assist them in complying with MSRB Rule G-17’s requirement to disclose risks associated with complex municipal securities financings. We are glad to support the underwriting community in managing their legal costs and reducing their regulatory risks by issuing these documents today.”

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.