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SEC Staff Statement on Municipal Advisors' Role in Disclosure: Norton Rose Fulbright

On September 16, 2026, the SEC's Office of Municipal Securities (OMS) published a Statement1 explaining the legal duties of municipal advisors2 under federal securities laws when they participate in the preparation of primary or secondary market disclosure documents for municipal securities. The Statement describes circumstances under which municipal advisors can violate federal securities law as well as measures they can take to reduce exposure to violations.

The Statement notes that (a) federal securities antifraud provisions3 apply to a municipal advisor's involvement in preparing a disclosure document in connection with the purchase or sale of securities, whether or not it has agreed to provide advice with respect to the disclosure document, (b) its duties depend on its role in the disclosure process and other facts and circumstances and (c) a municipal advisor may violate the antifraud provisions if a disclosure document that it helped prepare contains a misstatement or misleading omission of a material fact and the municipal advisor is obligated to or volunteers to draft, review or edit the disclosure document and knew, or in exercising care should have known, of the misstatement or omission, even if in language provided by another.

Additionally, the Statement notes that a municipal advisor may have a fiduciary duty under Section 15B of the Exchange Act with respect to its client's disclosure, as well as a duty of care under the Municipal Securities Rulemaking Board's rules,4 which duties may heighten its liability for misstatements or misleading omissions of material facts in a disclosure document, the level of diligence required of it in helping to prepare a disclosure document and its duty to disclose potential conflicts of interest due to its business relationship with other parties to the transaction, if:

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