



Professional Standards Committee Highlights

NEW AMENDMENTS TO SEC RULE 15c2-12



On August 20, 2018, the Securities and Exchange Commission adopted amendments to the continuing disclosure provisions of Rule 15c2-12 of the Securities Exchange Act of 1934. Continuing disclosure undertakings entered into on or after February 27, 2019 are required to comply with the Amendments.

The Amendments are part of an effort by the Securities and Exchange Commission to add transparency to the municipal securities market by increasing the amount of information that is publicly disclosed. The Amendments add two “events” for which notice filings must be made to the Municipal Securities Rulemaking Board’s EMMA system within 10 business days.

Issuers of municipal debt should start preparing now for the changes that will need to be in place to comply with new continuing disclosure agreements. **The most important first step would be to talk with bond and/or disclosure counsel about how these changes specifically relate to your debt program, future bond**

issuances and other financial transactions. Issuers should also review their debt management and disclosure policies and consider adding new provisions to address compliance with the Amendments, including:

- creating a master list of all current financial obligations including, but not limited to, bank loans, capital leases, derivatives, as well as any guarantees of these types of obligations,
- developing a system to track any financial difficulties related to these obligations,
- having a process in place to add new financial obligations, and
- working with counsel to determine materiality of your financial obligations and to assess if disclosure is required if financial difficulties arise.

For additional information, read the Government Finance Officers Association (GFOA) Best Practice on Understanding Your Continuing Disclosure Responsibilities, which can be found at <https://www.gfoa.org/understanding-your-continuing-disclosure-responsibilities-0>.

If you have questions regarding this topic, contact Jason Al-Imam, Chair of the Professional Standards Committee at standards.chair@csmf.org.

The Professional Standards Committee operates as a technical resource to CSMFO members. The Committee is comprised of municipal and commercial members whose mission is to keep members informed of emerging issues and best practices.
