



# SEC Rule 15c2-12: Continuing Disclosure

## What is Continuing Disclosure?

Continuing disclosure consists of important information about a municipal bond that arises after the initial issuance of the bonds. This information generally reflects the financial health or operating condition of the state or local government as it changes over time, or the occurrence of specific events that can have an impact on key features of the bonds.

## SEC Rule 15c2-12

Securities and Exchange Commission (SEC) Rule 15c2-12 requires dealers, when underwriting certain types of municipal securities, to ensure that the state or local government issuing the bonds enters into an agreement to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about the securities on an ongoing basis. Such continuing disclosure agreements for new issues after December 2010 normally require the following:

### Annual Financial Information

- Financial information and operating data provided by state or local government or other obligated persons
- Audited financial statements for state or local government or other obligated persons, if available

### Event Notices

- Principal and interest payment delinquencies
- Non-payment related defaults
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to rights of security holders
- Bond calls and tender offers
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes
- Bankruptcy, insolvency or receivership
- Merger, acquisition or sale of all issuer assets
- Appointment of successor trustee

*SEC Rule 15c2-12 ensures municipal securities issuers enter into agreements to provide certain information to the MSRB about their securities on an ongoing basis.*



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## MSRB Support

**Phone:**  
202-838-1330

**Hours:**  
7:30 a.m. – 6:30 p.m. ET

**Email:**  
MSRBsupport@msrb.org

**Hours:**  
7:00 a.m. – 7:00 p.m. ET

## Timeframes for Submitting Disclosures

In most cases, state or local governments or obligated persons must submit annual disclosures on or before the date specified in the continuing disclosure agreement or provide notice of failure to do so to the MSRB through the [Electronic Municipal Market Access \(EMMA®\) website](#).

Disclosure of events for new issues after December 2010 must be submitted to EMMA within 10 business days of the event.

## Exemptions from Rule 15c2-12

Continuing disclosure generally is not required for an issue if:

- The entire issue is for less than \$1 million
- The bonds are sold to investors in units of no less than \$100,000 and are sold to no more than 35 sophisticated investors
- The bonds are sold in \$100,000 minimum denominations and mature in nine months or less from initial issuance
- The bonds were issued prior to July 1995 (or prior to December 1, 2010 for certain “puttable” securities.)

## Locating Continuing Disclosure Information

The MSRB’s EMMA website publicly displays continuing disclosure information submitted since July 1, 2009, as part of the MSRB’s mission to provide access to key municipal market information. The EMMA website also displays market transparency data and educational materials about the municipal securities market.



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