

The MSRB believes inadequate disclosure is a risk to municipal securities investors, who need timely, accurate and complete information about a security and its issuer to make informed decisions. This document briefly describes the regulatory foundation for disclosure in the municipal securities market and provides an overview of the MSRB's efforts to facilitate disclosure.

REGULATORY FRAMEWORK FOR DISCLOSURE

Under Securities and Exchange Commission (SEC) [Rule 15c2-12](#), municipal securities underwriters generally must contract with issuers to receive official statements disclosing certain features of the transaction to investors, and ensure issuers enter into contracts known as continuing disclosure agreements (CDAs). Through the CDAs, the issuers agree to provide disclosure of annual financial information and events such as defaults and delinquencies that would be significant to investors. Official statements and disclosures are required to be made publicly available on the MSRB's [Electronic Municipal Market Access \(EMMA®\)](#) website.

PRINCIPLES FOR TIMELY AND COMPLETE DISCLOSURE

The MSRB recommends that municipal securities issuers consider the following [principles](#) to adhere to high standards for quality disclosures:

- Fully own the official statement and include all relevant information for investors, such as detailed cost of issuance, priority of creditor payments and the most current financial and operating information and pension liability.
- Make timely and complete continuing disclosures to investors throughout the life of the bond, facilitated with effective policies, procedures and industry best practices.
- Voluntarily disclose to investors information on bank loans, alternative financings and other information that could affect the debt or credit profile of the issuer.
- Fully utilize the Electronic Municipal Market Access (EMMA®) website and specialized issuer and disclosure features as a resource. Institute regular training for and make educational resources about the municipal market and its rules available to professionals at all levels of government.

PUBLIC ACCESS TO DISCLOSURE

Only issuers can act to ensure timely and complete disclosures, but the MSRB provides the platform for public display of this information through the [Electronic Municipal Market Access \(EMMA[®]\) website](#). EMMA includes features that facilitate disclosure, such as a free email reminder service for recurring financial disclosures, customized issuer home pages and a dedicated submission process for bank loan disclosures. Issuers may contact the MSRB's support line for free expert assistance with submitting disclosure documents at 202-838-1330 or MSRBsupport@msrb.org. Read more about the MSRB's leadership on access to disclosure information in [Facilitating Disclosure: A 25-Year History of Providing Municipal Market Transparency](#).

The MSRB publicizes data regarding trends in the timeliness of disclosures. In February 2017, the MSRB published an updated report called the [“Timing of Annual Financial Disclosures by Issuers of Municipal Securities.”](#) MSRB data shows that audited financial statements are typically posted approximately 200 calendar days after the end of the fiscal year. The MSRB also publishes an annual [MSRB Fact Book](#) that includes a holistic look at municipal market trends, including financial and event disclosures.

DISCLOSURE RESOURCES

The MSRB assists state and local government issuers in advancing their knowledge on disclosure and other topics through in-person educational events, webinars, an [online education center](#) and through [MuniEdPro[®]](#), a suite of interactive, online courses regarding the municipal market and MSRB regulations. [View the MSRB's issuer resource library](#).

MARKET COMMENTARY AND ADVISORIES

The MSRB has been advocating for bank loan disclosure since 2012. The MSRB commends the SEC for [advancing a proposal to amend Rule 15c2-12 to include two required event disclosures related to bank loans](#). [Read more about the MSRB's advocacy regarding more transparency around bank loans](#).

In September 2017, the MSRB published a [market advisory](#) to increase awareness among municipal bond issuers about “selective disclosure.” Selective disclosure creates an information imbalance that favors a limited group of bondholders, which may include analysts for investment banking firms, investment advisers or institutional investors, who are given access to material information that others do not have.

The MSRB cited timeliness of continuing disclosures as one of the municipal market practices the MSRB believes may have an adverse impact on retail investors in a November 2016 letter to [the SEC Office of the Investor Advocate](#).