

# Securities and Exchange Commission 2010 Amendments of Rule 15c2-12 for Continuing Disclosure

In an effort to improve the quality and timeliness of disclosure information for municipal securities, the Securities and Exchange Commission (SEC) adopted amendments to Rule 15c2-12 of the SEC Act of 1934. The 2010 Amendments apply to all financings that closed on or after December 1, 2010. These new rules apply to primary offerings of municipal securities with principle amounts of \$1 million or more.

## The 2010 Amendments to Rule 15c2-12:

1. Require filing a notice within 10 business days of the occurrence of certain specific events;
2. Require disclosure of certain events without regard to materiality;
3. Require disclosure of additional events; and,
4. Eliminate the exemption from the Rule for certain variable rate demand obligations (VRDOs)

## Summary Chart of Changing 15c2-12

Original Material Events	2010 Amendments Add New Events	2010 Amendments Make Only the Following Events Subject to “Materiality” Determination	Voluntary Event-Based Disclosures (Examples)
<ul style="list-style-type: none"> <li>• Principal and interest payment delinquencies*</li> <li>• Non-payment related defaults*</li> <li>• Unscheduled draws on debt service reserves reflecting financial difficulties*</li> <li>• Unscheduled draws on credit enhancement reflecting financial difficulties*</li> <li>• Substitution of credit or liquidity providers, or their failure to perform*</li> <li>• Tax Status Issues, adverse tax opinions and events affecting the tax-exempt status of the security</li> <li>• Modifications to rights of security holders*</li> <li>• Bond calls*</li> <li>• Defeasances*</li> <li>• Release, substitution, or sale of property securing repayment of securities*</li> <li>• Rating Changes; and, Failure to file Annual Reports by deadline (CAFRs)</li> </ul> <p>*if material</p>	<ul style="list-style-type: none"> <li>• Adverse tax opinions, issuance by IRS of proposed or final determinations of taxability, notices of Proposed Issue (IRS Form 5701-TEB) or other events affecting the tax status of the security</li> <li>• Tender offers</li> <li>• Bankruptcy, insolvency, receivership or other similar proceedings</li> <li>• Mergers, consolidations, and acquisitions involving of obligated person and sales of all or substantially all of the assets of obligated person— other than in the ordinary case of business; entry of a definitive agreement to undertake such action or termination of a definitive agreement other than pursuant to the terms of such agreement, if material</li> <li>• Appointment of a successor or additional trustee or change of name of trustee, if material</li> </ul>	<ul style="list-style-type: none"> <li>• Non-payment of related defaults</li> <li>• Modifications of rights of security holders</li> <li>• Bond Calls</li> <li>• Release/substitution/sale of property securing repayment of the securities</li> <li>• Any events affecting the tax status of the securities, including Build America Bonds</li> </ul>	<ul style="list-style-type: none"> <li>• Amendment to continuing disclosure undertaking</li> <li>• Change in obligated person</li> <li>• Notices to Investors pursuant to bond documents</li> <li>• Certain communications from the IRS</li> <li>• Secondary market purchases</li> <li>• Bid for Auction Rate Securities or other securities</li> <li>• Capital or other financing plan</li> <li>• Litigation/Enforcement actions</li> <li>• Change of tender agent, remarketing agent, or other on-going party</li> <li>• Derivative or other similar transactions</li> <li>• Other event-based disclosures</li> </ul>

Source: Securities and Exchange Commission

