



ALERTS

SEC Says Municipal Bond Disclosures Should Be More Frequent, Forward-Looking In Light Of COVID-19

June 15, 2020

Issuers of municipal securities are being urged by the chairman of the Securities Exchange Commission (SEC) and the director of the Commission's Office of Municipal Securities to communicate more with investors.

The SEC issued a statement entitled "[The Importance of Disclosure for our Municipal Markets](#)" on May 4. The statement is directed to issuers of municipal securities and investors and other participants in the municipal securities markets. It was prompted by the effects of COVID-19 raising uncertainties regarding the financial status of municipal bond issuers.

It specifically encourages issuers:

- To develop and provide "voluntary, unaudited, and non-routine disclosures regarding their current financial status and operating condition"
- To provide "forward-looking" information regarding the potential future impact of COVID-19 on their financial status and operations

The SEC statement applies to disclosure for both new bond issues and continuing disclosure to the secondary market for municipal bonds.

The statement acknowledges that developing and making these more frequent disclosures containing "forward-looking" information "may be challenging, particularly under the current circumstances" and that each

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issuer, in many cases in consultation with legal counsel, will have to assess the risk of making these additional disclosures.

If you desire to discuss these matters, please contact a Barnes & Thornburg bond attorney you work with or Kirk Grable at 317-231-7781 or kirk.grable@btlaw.com; Randy Rompola at 574-237-1244 or randy.rompola@btlaw.com; Anneliese Williams at 317-231-6425 or anneliese.williams@btlaw.com; or Greg Stype at 614-628-1417 or gstyle@btlaw.com.

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