



Submission for OMB Review; Comment Request

Upon Written Request Copies Available From:

U.S. Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, DC 20549-2736

Extension: Rule 15c2-12

SEC File No. 270-330, OMB Control No. 3235-0372

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 15c2-12 – Municipal Securities Disclosure (17 CFR 240.15c2-12) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Paragraph (b) of Rule 15c2-12 requires underwriters of municipal securities: (1) To obtain and review an official statement “deemed final” by an issuer of the securities, except for the omission of specified information prior to making a bid, purchase, offer, or sale of municipal securities; (2) in non-competitively bid offerings, to send, upon request, a copy of the most recent preliminary official statement (if one exists) to potential customers; (3) to contract with the issuer to receive, within a specified time, sufficient copies of the final official statement to comply with Rule 15c2-12’s delivery requirement and the rules of the Municipal Securities Rulemaking Board (“MSRB”); (4) to send, upon request, a copy of the final official statement to potential customers for a specified period of time; and (5) before purchasing or selling municipal securities in connection with an offering, to reasonably determine that the issuer or the obligated person has undertaken, in a written agreement or contract, for the benefit of holders of such municipal securities, to provide certain information on a continuing basis to the MSRB in an electronic format as prescribed by the MSRB. The information to be provided consists of: (1) certain annual financial and operating information and audited financial statements (“annual filings”); (2) notices of the occurrence of any of 14 specific events (“event notices”); and (3) notices of the failure of an

issuer or obligated person to make a submission required by a continuing disclosure agreement (“failure to file notices”).

Rule 15c2-12 is intended to enhance disclosure in the municipal securities market, and thereby reduce fraud, by establishing standards for obtaining, reviewing, and disseminating information about municipal securities by their underwriters.

Municipal offerings of less than \$1 million are exempt from the rule, as are offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors or have short-term maturities.

The Commission previously published a 60-day notice on this collection of information (the “60-day Notice”).<sup>1</sup> Commission staff has considered the comments received in response to the 60-day Notice and is revising many of the estimates included in the 60-day Notice. In response to previous comment solicitations in 2008 and 2009 on the PRA burdens associated with Rule 15c2-12, the Commission received either no comments, or comments that did not include any quantified alternative estimates or that did not include any supporting data. In contrast to those previous comment solicitations, the Commission received comment letters in response to the 60-day Notice that included comments providing specific alternative estimates of the PRA burdens of Rule 15c2-12 and specific data to support the commenters’ alternative estimates. Based on the new information commenters provided in response to the 60-day Notice, Commission staff is revising many of its hourly burden estimates. It is now estimated that approximately 20,000 issuers, 250 broker-dealers, and the MSRB will spend a total of 621,758 hours per year complying with Rule 15c2-12. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 62,596 annual filings to the MSRB in 2014. Commission staff estimates that an issuer will require approximately seven hours to prepare and submit annual filings to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 62,596 annual filings to the MSRB is estimated to be 438,172 hours. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 73,480 event notices to the MSRB in 2014. Commission staff estimates that an issuer will

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<sup>1</sup> See SEC File No. 270-330, OMB Control No. 3235-0372, 79 FR 68730.

require approximately two hours to prepare and submit event notices to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 73,480 event notices to the MSRB is estimated to be 146,960 hours. Based on data from the MSRB through September 2014 and annualized through December 2014, issuers will submit approximately 7,063 failure to file notices to the MSRB in 2014. Commission staff estimates that an issuer will require approximately two hours to prepare and submit failure to file notices to the MSRB. Therefore, the total annual burden on issuers to prepare and submit 7,063 failure to file notices to the MSRB is estimated to be 14,126 hours. Commission staff estimates that the total annual burden on broker-dealers to comply with Rule 15c2-12 is 22,500 hours. Finally, Commission staff estimates that the MSRB will incur an annual burden of 12,699 hours to collect, index, store, retrieve, and make available the pertinent documents under Rule 15c2-12.

Based on data provided by the MSRB, the Commission estimates that up to 65% of issuers may use designated agents to submit some or all of their continuing disclosure documents to the MSRB. The Commission estimates that the average total annual cost that may be incurred by issuers that use the services of a designated agent will be \$9,750,000.<sup>2</sup> The Commission estimates that the MSRB will incur total annual costs of \$10,000 based on the MSRB's estimates of the hardware and software costs for the MSRB's Electronic Municipal Market Access ("EMMA") system in the MSRB's fiscal year 2014.

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 30 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

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<sup>2</sup> 20,000 (number of issuers) x .65 (percentage of issuers that may use designated agents) x

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an e-mail to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE Washington, DC 20549, or by sending an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Brent J. Fields  
Secretary

February 18, 2015

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\$750 (estimated average annual cost for issuer's use of designated agent) = \$9,750,000.