



# The Conduit Issuer's Guide to Continuing Disclosures

The issuers or obligated persons involved in most new issues of municipal securities subject to U.S. Securities and Exchange (SEC) Rule 15c2-12 enter into contractual obligations to provide to the Municipal Securities Rulemaking Board (MSRB) certain categories of continuing disclosure information relating to the securities and their repayment. When a state or local government issues municipal securities as a conduit issuer on behalf of a third party or conduit borrower, the obligation to provide continuing disclosures may be shared, as provided in the continuing disclosure agreement, between the state or local governmental issuer and the conduit borrower. This document is a guide to assist conduit issuers in their disclosure practices and understanding the disclosures that their conduit borrowers should provide to the MSRB.

*The goal of continuing disclosure obligations is to make available to the municipal securities market, on a timely basis, information on entities who are responsible for repayment of the municipal securities.*

## What Is Continuing Disclosure?

Generally, continuing disclosure is information made available to investors through the MSRB's [Electronic Municipal Market Access \(EMMA®\) website](#). The continuing disclosures on EMMA include event disclosures, financial/operating disclosures and asset-backed securities disclosures. Event disclosures are a type of continuing disclosure that are made, either voluntarily or pursuant to an applicable law or written agreement or contract, following a primary offering of municipal securities. Continuing disclosure is distinguished from new issue disclosure, which is generally important information about the securities that is known and disclosed, typically in the official statement, when the securities are initially issued. Continuing disclosure generally consists of disclosures of financial information or operating data for the issuer or obligated person and disclosures

of specific events that can have an impact on the securities.

The goal of continuing disclosure obligations is to make available to the municipal securities market, on a timely basis, information on entities who are responsible for repayment of the municipal securities, known as obligated persons. Thus, if an obligated person for whom financial information and operating data is presented in the official statement (for example, the conduit borrower) enters into a contract to provide the required continuing disclosure, the conduit issuer may not have any continuing disclosure obligations under SEC Rule 15c2-12 of its own. However, conduit issuers should consult with their legal professionals to ensure that any continuing disclosure obligations pertaining to their specific issuances are satisfied.



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**TIP!** Visit the [MSRB Education Center](#) or read the [MSRB Fact Sheet on SEC Rule 15c2-12](#) for more information on continuing disclosure, including the specific categories of information that must be disclosed.

## Who Is Subject to Continuing Disclosure Obligations?

SEC Rule 15c2-12 requires a continuing disclosure commitment, typically contained in a separate continuing disclosure agreement, from the issuer or an obligated person for whom financial information and operating data is presented in the official statement. Since an obligated person is generally a person who agrees to pay all or a portion of the obligations on the municipal securities, the continuing disclosure agreement would typically include the conduit borrower in a conduit issuance.

**TIP!** Carefully review the following documents to determine how disclosure obligations may be applicable to an offering:

- *Official Statement* — Identify each of the parties for whom financial information and operating data is presented and understand how the repayment of the securities is described.
- *Continuing Disclosure Agreement* — Understand the roles and obligations of each of the parties under the continuing disclosure agreement.
- *SEC Rule 15c2-12* — Understand each of the types of continuing disclosures required by the rule.

## How Do Conduit Issuers Fulfill Any Continuing Disclosure Obligations?

The parties to the continuing disclosure agreement, often — although not necessarily — may include the conduit borrower, the conduit issuer, the trustee (on behalf of the bondholders) and a designated agent or dissemination agent, which is a person or entity that agrees to submit the actual disclosures to the MSRB. The agreement will typically describe the actions that each party agrees to take to ensure compliance with the relevant continuing disclosure obligations. Conduit issuers should note that, even if they do not have any obligations to submit continuing disclosures related to their own financial and operating data, the continuing disclosure agreement may impose other requirements on them, such as a duty to notify the other parties to the agreement that an event triggering a continuing disclosure filing has occurred.

Continuing disclosures are submitted to the MSRB's [EMMA](#) website. The issuer, obligated person, trustee or a designated agent may use [EMMA Dataport](#) to make submissions to the MSRB.

**TIP!** View [MSRB instructional materials](#) about the submission of continuing disclosure information to EMMA, including:

- [Online training about submissions to EMMA](#)
- [FAQs about continuing disclosure submission](#)
- [An in-depth manual regarding continuing disclosure submissions](#)



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## Where Can Conduit Issuers View Submitted Continuing Disclosures?

Conduit issuers and market participants may view continuing disclosure filings, free of charge, on [EMMA](https://emma.msrb.org) at [emma.msrb.org](https://emma.msrb.org).



Read the [EMMA User Guide](#) or watch a [video about how issuers use EMMA to communicate with investors](#).

*This information is for educational purposes only and provides a general overview of the subject matter and does not constitute investment, tax, business, legal or other advice.*



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