

submitted on or before February 25, 2025.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-02151 Filed 2-3-25; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

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

Submission for OMB Review; Comment Request; Extension: Municipal Securities Disclosure (Exchange Act Rule 15c2-12)

Upon Written Request, Copies Available

From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

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”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved 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”).

In connection with offerings of municipal securities, paragraph (b) of Rule 15c2-12¹ requires Participating Underwriters:² (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;³ (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;⁴ (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”);⁵ (4) to send, upon request, a copy of the final official statement to potential customers for a specified period of time;⁶ 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.⁷ The information to be provided consists of: (1) certain annual financial and operating information and audited financial statements (“annual filings”);⁸ (2) notices of the occurrence of any of certain specific events (“event notices”);⁹ 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”).¹⁰ Annual filings, event notices, and failure to file notices may be collectively referred to as “continuing disclosure documents.”

Rule 15c2-12 is intended to enhance disclosure, and thereby reduce fraud, in the municipal securities market by establishing standards for obtaining, reviewing, and disseminating information about municipal securities by their underwriters.¹¹

Municipal offerings of less than \$1 million are exempt from the rule,¹² as are offerings of municipal securities issued in large denominations that (i) are sold to no more than 35 sophisticated investors (“limited offering exemption”), or (ii) have short-term maturities.¹³

The required **Federal Register** notice with a 60-day comment period soliciting comments on this collection of information was published.¹⁴ The

Commission received four comment letters in response to this comment solicitation.¹⁵ Although Commission staff appreciates the information received from these four commenters, it is the view of staff that the estimates contained in the **Federal Register** notice remain valid and the staff has not made any changes to the Commission’s burden estimates based on these comments. As discussed more fully in the Supporting Statement,¹⁶ it is the view of Commission staff that the comments received either: (i) addressed the information collection burden generally but did not provide any quantified alternative estimate or specific supporting data related to the burden; (ii) included recommendations that were previously considered and addressed by the Commission during rulemaking for the 2018 Amendments, and the commenter provided no rationale as to why the Commission should change the conclusions it had previously reached; or (iii) included suggested changes to the Rule itself that would need to be effected pursuant to a Commission rulemaking and are therefore beyond the scope of the PRA analysis.

Nonetheless, as discussed more fully in the Supporting Statement,¹⁷ Commission staff has determined to take under advisement many of the comments received and will further study whether they should be applied in future PRA analyses and/or merit potential guidance or rulemaking activities related to Rule 15c2-12.¹⁸ Among other things, staff will take under advisement comments suggesting that the Commission should: (i) more effectively survey market participants to obtain PRA burden estimates; (ii)

(*Exchange Act Rule 15c2-12*), 89 FR 88843 (November 8, 2024).

¹⁵ Letters from Richard Li (“Li Letter”), January 6, 2025 (personally identifiable information redacted by Commission staff); Emily S. Brock, Director, Federal Liaison Center, Government Finance Officers Association (“GFOA Letter”), January 7, 2025; M. Jason Akers, President, National Association of Bond Lawyers (“NABL Letter”), January 7, 2025; Leslie M. Norwood, Managing Director and Associate General Counsel, and Gerald O’Hara, Vice President and Assistant General Counsel, Securities Industry and Financial Markets Association (“SIFMA Letter”), January 7, 2025. In addition, Commission staff discussed the 60-day notice, among other things, during a video conference with representatives of Digital Assurance Certification, LLC (“DAC Bond”). See Memorandum from the Office of Municipal Securities regarding a November 12, 2024 meeting with representatives of DAC Bond.

¹⁶ See PRA Supporting Statement for Rule 15c2-12, Section 8, available at https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202410-3235-009.

¹⁷ See *id.*

¹⁸ Commission staff does not commit to take any course of action following further study of these comments.

⁵ 17 CFR 240.15c2-12(b)(3).

⁶ 17 CFR 240.15c2-12(b)(4).

⁷ 17 CFR 240.15c2-12(b)(5)(i).

⁸ 17 CFR 240.15c2-12(b)(5)(i)(A)–(B).

⁹ 17 CFR 240.15c2-12(b)(5)(i)(C).

¹⁰ 17 CFR 240.15c2-12(b)(5)(i)(D).

¹¹ See generally *Municipal Securities Disclosure*, Exchange Act Release No. 26985 (June 28, 1989), 54 FR 28799 (July 10, 1989); *Municipal Securities Disclosure*, Exchange Act Release No. 34961 (November 10, 1994), 59 FR 59590 (November 17, 1994); *Amendment to Municipal Securities Disclosure*, Exchange Act Release No. 59062 (December 5, 2008), 73 FR 76104 (December 15, 2008); *Amendments to Municipal Securities Disclosure*, Exchange Act Release No. 62184A (May 26, 2010), 75 FR 33100 (June 10, 2010); *Amendments to Municipal Securities Disclosure*, Exchange Act Release No. 83885 (August 20, 2018), 83 FR 44700 (August 31, 2018).

¹² 17 CFR 240.15c2-12(a).

¹³ 17 CFR 240.15c2-12(d)(1).

¹⁴ See *Proposed Collection; Comment Request; Extension: Municipal Securities Disclosure*

¹² 17 CFR 200.30-3(a)(12) and (59).

¹ 17 CFR 240.15c2-12(b).

² The term “Participating Underwriter” means any broker, dealer, or municipal securities dealer that acts as an underwriter in connection with an “Offering,” *i.e.*, a primary offering of municipal securities with an aggregate principal amount of \$1,000,000 or more. 17 CFR 240.15c2-12(a) (defining “Participating Underwriter” and “Offering”).

³ 17 CFR 240.15c2-12(b)(1).

⁴ 17 CFR 240.15c2-12(b)(2).

analyze the burdens that Rule 15c2–12 imposes on broker-dealers by offering type (negotiated offering, competitive offering, or private placement), and by the number of underwriters involved in the transaction; (iii) analyze the burdens that compliance with the limited offering exemption imposes on broker-dealers; (iv) update or amend existing guidance on Rule 15c2–12; and (v) update or amend Rule 15c2–12 itself (e.g., by removing the “rating change” event notice).

With respect to hour burdens, the Commission estimates that approximately 28,000 issuers, 205 broker-dealers, and the MSRB will spend a total of 786,220 hours per year complying with Rule 15c2–12 over the next three years.¹⁹ Rule 15c2–12 indirectly imposes ongoing third-party disclosure burdens on issuers that determine to engage a broker-dealer to act as a Participating Underwriter in an offering of municipal securities. The Commission estimates that the total annual burden on issuers to comply with Rule 15c2–12 is 662,766 hours.²⁰ Based on public MSRB data, issuers annually submitted an average of approximately 65,082 annual filings to the MSRB over the past three years. The Commission estimates that an issuer will require approximately seven hours to prepare and submit each annual filing to the MSRB. Therefore, the Commission estimates that the total annual burden on issuers to prepare and submit 65,082 annual filings to the MSRB is 455,574 hours.²¹ Based on public MSRB data, issuers annually submitted an average of approximately 49,958 event notices to the MSRB over the past three years. The Commission estimates that an issuer will require approximately four hours to prepare and submit each event notice to the MSRB. Therefore, the Commission estimates that the total annual burden on issuers to prepare and submit 49,958 event

notices to the MSRB is 199,832 hours.²² Based on public MSRB data, issuers annually submitted an average of approximately 3,680 failure to file notices to the MSRB over the past three years. The Commission 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 3,680 failure to file notices to the MSRB is estimated to be 7,360 hours.²³

Rule 15c2–12 imposes ongoing third-party disclosure burdens on broker-dealers that act as Participating Underwriters in offerings of municipal securities. The Commission estimates that the total annual burden on broker-dealers to comply with Rule 15c2–12 is 101,454 hours.²⁴ Based on public MSRB data, the Commission estimates that an average of 10,968 offerings of municipal securities occurred annually over the past three years. Further, based on estimates provided by the MSRB, the Commission estimates that, over the past three years, an average of 205 broker-dealers served as a Participating Underwriter in municipal securities offerings. Accordingly, the Commission estimates that approximately 205 broker-dealers could serve as a Participating Underwriter in 10,968 municipal securities offerings in each of the next three years. The Commission estimates that broker-dealers will incur a 15 minute (0.25 hour) burden per issuance of municipal securities to reasonably determine that the issuer or obligated person has undertaken, in a written agreement or contract, for the benefit of holders of municipal securities, to provide continuing disclosure documents to the MSRB.²⁵

²² See *supra* note 20.

²³ See *supra* note 20.

²⁴ $10,968$ (estimated annual issuances) \times 0.25 (hourly burden for broker-dealers to reasonably determine that the issuer or obligated person has undertaken, in a written agreement or contract, for the benefit of holders of such municipal securities, to provide continuing disclosure documents to the MSRB) = $2,742$ hours. $10,968$ (estimated annual issuances) \times 9 (average burden estimate per issuance for broker-dealers to determine whether issuers or obligated persons have failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule) = $98,712$ hours. $2,742$ hours + $98,712$ hours = $101,454$ hours.

²⁵ The Commission understands that most continuing disclosure agreements are provided to the broker-dealer by the issuer or obligated person and that most of these agreements are standard form agreements of limited length. Further, the Commission believes that the determination required to be made—that the issuer or obligated person has undertaken to provide continuing disclosure documents to the MSRB—is a narrow one that does not require a substantial time commitment from the broker-dealer. For these

resulting in an annual burden on all broker-dealers of approximately 2,742 hours.²⁶ The Commission further estimates that broker-dealers will incur 9 hours of burden per issuance of municipal securities to determine whether issuers or obligated persons have failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2–12, resulting in an annual burden on broker-dealers of 98,712 hours.²⁷

Finally, Rule 15c2–12 imposes ongoing recordkeeping burdens on the MSRB. The Commission estimates that the total annual burden on the MSRB to comply with Rule 15c2–12 is 22,000 hours. Based on estimates provided by the MSRB, the Commission estimates that, over the last three years, the MSRB has incurred an annual burden of approximately 22,000 hours to collect, index, store, retrieve, and make available the pertinent continuing disclosure documents under Rule 15c2–12. Accordingly, the Commission estimates that the MSRB will incur an annual burden of 22,000 hours to collect, index, store, retrieve and make available the pertinent documents under Rule 15c2–12 each year over the next three years.

With respect to cost burdens, the Commission estimates that 18,200 issuers and the MSRB will spend a total of \$20,492,000 complying with Rule 15c2–12 over the next three years.²⁸ The Commission estimates that, over the next three years, up to 65% of issuers subject to continuing disclosure agreements—approximately 18,200 issuers—may use the services of designated agents to submit some or all of their continuing disclosure documents to the MSRB. The Commission estimates that the average annual cost for an issuer’s use of a designated agent is \$970 each year. Therefore, 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 \$17,654,000.²⁹ In addition, the

reasons, the Commission believes the estimate of a 15 minute burden per issuance is appropriate.

²⁶ See *supra* note 24.

²⁷ See *supra* note 24.

²⁸ $\$19,254,000$ (estimated total annual cost burden for issuers) + $\$1,238,000$ (estimated total annual cost burden for the MSRB) = $\$20,492,000$.

²⁹ $28,000$ (number of issuers subject to continuing disclosure agreements) \times 0.65 (percentage of issuers that may use designated agents) = $18,200$ issuers that may use designated agents. $18,200 \times \$970$ (estimated average annual cost for issuer’s use of designated agent under Rule 15c2–12) = $\$17,654,000$.

¹⁹ $662,766$ hours (estimated total annual burden on issuers) + $101,454$ hours (estimated total annual burden on broker-dealers) + $22,000$ hours (estimated total annual burden on the MSRB) = $786,220$ hours.

²⁰ $65,082$ (estimated average number of annual filings submitted by issuers annually in each of the next three years) \times 7 (estimated average number of hours needed to prepare and submit each) = $455,574$ hours. $49,958$ (estimated average number of event notices submitted by issuers annually in each of the next three years) \times 4 (estimated average number of hours needed to prepare and submit each) = $199,832$ hours. $3,680$ (estimated average number of failure to file notices submitted by issuers annually in each of the next three years) \times 2 (estimated average number of hours needed to prepare and submit each) = $7,360$ hours. $455,574$ hours + $199,832$ hours + $7,360$ hours = $662,766$ hours.

²¹ See *supra* note 20.

Commission estimates that issuers will retain outside counsel to assist with filing approximately 1,000 event notices in each of the next three years. The Commission further believes that, for those 1,000 complex event notices in which issuers and obligated persons seek assistance from outside counsel, one-half of the burden of preparation of the event notices will be carried by issuers internally (four hours), and the other half of the burden will be carried by outside professionals retained by the issuer (four hours). The Commission further estimates that the average hourly cost for an issuer's use of outside counsel is \$400 per hour. Therefore, the Commission estimates the average total annual cost incurred by issuers to retain outside counsel to assist in the evaluation and preparation of certain event notices will be \$1,600,000.³⁰ Thus, the total estimated cost to issuers to comply with the rule is \$19,254,000.³¹

Finally, based on recently obtained data provided by the MSRB, the Commission estimates that the MSRB will incur total annual costs of approximately \$1,238,000 to operate the continuing disclosure service for the MSRB's Electronic Municipal Market Access ("EMMA") system, including hardware, software, and external third-party costs such as cloud service provider costs.

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

The public may view and comment on this information collection request at: https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202410-3235-009 or send an email comment to MBX.OMB.OIRA.SEC_desk_officer@omb.eop.gov within 30 days of the day after publication of this notice by March 7, 2025.

³⁰ 1,000 (estimated number of event notices requiring outside counsel) × 4 (estimated number of hours for outside attorney to assist in the preparation of such event notice) × \$400 (hourly wage for an outside attorney) = \$1,600,000. The Commission recognizes that the costs of retaining outside professionals may vary depending on the nature of the professional services, but for purposes of this PRA analysis we estimate that costs of outside counsel would be an average of \$400 per hour.

³¹ \$17,654,000 (estimated annual cost for issuer's use of designated agent to submit filings) + \$1,600,000 (estimated annual cost for issuers to employ outside counsel in the examination, preparation, and filing of certain event notices) = \$19,254,000.

Dated: January 29, 2025.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2025-02163 Filed 2-3-25; 8:45 am]

BILLING CODE 8011-01-P

DEPARTMENT OF STATE

[Public Notice: 12646]

Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: "What Drawing Can Be: Four Responses" Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to an agreement with their foreign owner or custodian for temporary display in the exhibition "What drawing can be: four responses" at the Menil Drawing Institute, The Menil Collection, Houston, Texas, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA-5), Suite 5H03, Washington, DC 20522-0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000, and Delegation of Authority No. 257-1 of December 11, 2015.

Rafik K. Mansour,

Deputy Assistant Secretary for Policy, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2025-02200 Filed 2-3-25; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF STATE

[Public Notice: 12647]

Notice of Determinations; Culturally Significant Objects Being Imported for Exhibition—Determinations: "Rosa Barba: The Ocean of One's Pause" Exhibition

SUMMARY: Notice is hereby given of the following determinations: I hereby determine that certain objects being imported from abroad pursuant to an agreement with their foreign owner or custodian for temporary display in the exhibition "Rosa Barba: The Ocean of One's Pause" at The Museum of Modern Art, New York, New York, and at possible additional exhibitions or venues yet to be determined, are of cultural significance, and, further, that their temporary exhibition or display within the United States as aforementioned is in the national interest. I have ordered that Public Notice of these determinations be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Reed Liriano, Program Coordinator, Office of the Legal Adviser, U.S. Department of State (telephone: 202-632-6471; email: section2459@state.gov). The mailing address is U.S. Department of State, L/PD, 2200 C Street NW (SA-5), Suite 5H03, Washington, DC 20522-0505.

SUPPLEMENTARY INFORMATION: The foregoing determinations were made pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236-3 of August 28, 2000, and Delegation of Authority No. 257-1 of December 11, 2015.

Rafik K. Mansour,

Deputy Assistant Secretary for Policy, Bureau of Educational and Cultural Affairs, Department of State.

[FR Doc. 2025-02199 Filed 2-3-25; 8:45 am]

BILLING CODE 4710-05-P

U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION

Notice of Open Public Hearing

AGENCY: U.S.-China Economic and Security Review Commission.

ACTION: Notice of open public hearing.