

# Voluntary Disclosure Notifications Amid the COVID-19 Crisis

On May 4, 2020, SEC Chairman, Jay Clayton, and Director of the Office of Municipal Securities, Rebecca Olsen, issued a public statement regarding the importance of disclosure for municipal markets, which specifically focuses on disclosures related to COVID-19.

Over the past several years, the SEC has urged obligated persons to use the Municipal Securities Rulemaking Board [Electronic Municipal Market Access \(EMMA®\)](#) website to provide investors with more timely disclosures. Relating to COVID-19, the statement encourages obligated persons to provide, on a voluntary basis and as reasonably practicable, information about current financial and operating condition, as well as forward-looking information regarding potential future impacts.

Obligated persons should undertake a risk versus benefit analysis in connection with any voluntary disclosures — or the expansion of required disclosures. The public statement sets forth five factors that generally weigh in favor of making such public disclosures:

- Disclosure of current financial and operating condition aids investors in making informed investment decisions;
- Disclosures can include meaningful cautionary language regarding reliance on, and completeness of, information;
- Obligated persons that are required to disclose similar information to other parties ensures that disclosures are consistent across all contexts (and when disclosed, disclosed broadly);
- Good faith attempts to provide appropriately framed current and/or forward-looking information is unlikely to be second-guessed by the SEC; and
- Disclosures can be informed by the “bespeaks caution” doctrine — a forward looking statement accompanied by sufficient cautionary language is not actionable because a reasonable investor could not have found the statement materially misleading.

The statement additionally provides examples of the types of information that obligated persons could provide to investors, whether in a primary offering document, or in a continuing or voluntary disclosure filing, including:

- Impact of COVID-19 on operations and financial condition;
- Access to sources of liquidity;
- Availability of federal, state and local aid; and
- Reports prepared for other governmental purposes.

**The public statement is not a mandate or requirement by the SEC. Obligated persons must carefully evaluate the appropriateness of such disclosures and should consult with legal counsel prior to the posting on EMMA of any public filings.**

The full SEC public statement can be viewed [here](#).