



SEC Grants Permanent Relief for 144A Debt Securities from Public Information Requirements of Rule 15c2-11

NOVEMBER 20, 2023

Rule 144A Fixed Income Securities Remain Exempt

On October 30, 2023, the Securities Exchange Commission (the SEC) issued an exemptive order ([available here](#)) that permanently exempts brokers and dealers from the public information requirements of Rule 15c2-11 with respect to making quotations in Rule 144A fixed-income securities. As previously noted in our December 2022 blog post ([available here](#)), in no-action letters issued in September 2021 and November 2022, the SEC indicated that, contrary to decades of market practice, it believed that Rule 15c2-11 applied to fixed-income securities, including Rule 144A debt securities issued by non-reporting issuers in “private for life” transactions. Rule 144A securities generally are offered to and trade only among sophisticated institutions^[1], and are offered pursuant to offering memoranda that contain information similar to that required by Rule 15c2-11.

Numerous commentators and SEC Commissioner Peirce had noted that the apparent change in the SEC’s position on the application of Rule 15c2-11 could reduce investor transparency by discouraging broker-dealers from making quotations in Rule 144A debt securities available for private issuers. The exemptive order clarifies that, given that prospective purchasers of Rule 144A debt securities have the right to receive reasonably current financial information about the issuer pursuant to the requirements of Rule 144A, QIBs who trade in Rule 144A fixed income securities do not also need the protection of Rule 15c2-11. Unlike the November 2022 no-action letter that only temporarily provided relief until January 4, 2025, the exemptive order is permanent.

^[1] Under Rule 144A, securities may only be sold to “qualified institutional buyers” (“QIBs”) or purchasers that the seller or a person acting on its behalf reasonably believes are QIBs. A QIB must own and invest on a discretionary basis, in the aggregate, at least \$100 million in securities.

1 Min Read

Authors

[David A. Sakowitz](#)

[Justin F. Hoffman](#)

Sey-Hyo Lee

Hannah W. Miller

Related Locations

Houston

New York

Related Topics

Securities and Exchange Commission (SEC)

Rule 15c2-11

Rule 144A

Debt Securities

Related Capabilities

Capital Markets

Corporate Governance

Related Professionals



David A. Sakowitz



Justin F. Hoffman



Sey-Hyo Lee



Hannah W. Miller

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.