

# SEBI's information database on municipal bonds

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**In news**— The Securities and Exchange Board of India (SEBI) has launched an information database on municipal bonds recently.

## What is the information database of SEBI?

- The information database **contains a wide range of information in the form of statistics and regulations, circulars, guidance notes** and Frequently Asked Questions issued by Sebi in respect of municipal debt securities.
- It contains various **checklists for pre-listing requirements and sample letters and certificates** from various intermediaries to be obtained by an issuer who plans to tap the municipal bond market.
- The SEBI information database can also be accessed by way of a Quick Response Code (QR Code).
- While this repository would serve as a guide, it is also hoped that it would result in more awareness.
- SEBI, in 2015, introduced a regulatory framework for the issue, listing and trading of Municipal Debt Securities; the same was further reviewed by SEBI in 2019.

## What are municipal bonds?

- **Municipal bonds are a good alternative source of finance to fund projects undertaken by Municipal Corporations.**
- In other words, a municipal bond is a debt security issued by a state, municipality or county to finance its capital expenditures, including the construction of highways, bridges or schools.
- In India, the Municipal Debt market is in a nascent stage. SEBI is taking steps to increase awareness

through such events.

- Since 2017, twelve issues of Municipal Bonds have been made by ten Municipal Corporations in the country, raising almost Rs 2000 Cr.
- The funds raised have been used for various developmental projects like liquid waste management projects, water supply projects, tertiary sewage treatment plants, residential projects etc.