UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **September 30, 2017**

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ______ to ______

Commission File Number: **000-53189**

ICON Leasing Fund Twelve Liquidating Trust

(Exact name of registrant as specified in its charter)

Delaware	**81-7012783**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3 Park Avenue, 36th Floor, New York, New York	**10016**
(Address of principal executive offices)	(Zip Code)

(212) 418-4700

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. *

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). *

☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☑ No

Number of outstanding beneficial interests of the registrant on November 8, 2017 is 348,335.

* ICON Leasing Fund Twelve Liquidating Trust is the transferee of the assets and liabilities of ICON Leasing Fund Twelve, LLC and files reports under the Commission file number for ICON Leasing Fund Twelve, LLC.

ICON Leasing Fund Twelve Liquidating Trust
Table of Contents

Table of Contents

PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

ICON Leasing Fund Twelve Liquidating Trust
(A Delaware Statutory Trust)
Consolidated Balance Sheets

	September 30, 2017	December 31, 2016
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 8,695,593	$ 10,255,053
Current portion of net investment in notes receivable	4,093,479	6,447,158
Current portion of net investment in finance leases	1,980,116	6,824,610
Other current assets	23,224	5,924,846
Total current assets	14,792,412	29,451,667
Non-current assets:		
Net investment in notes receivable, less current portion	12,797,465	14,555,781
Net investment in finance leases, less current portion	32,558,658	39,046,710
Leased equipment at cost (less accumulated depreciation of $12,990,483 and $10,247,365, respectively)	19,556,653	36,961,296
Asset held for sale	2,976,000	7,600,000
Restricted cash	3,342,613	3,471,147
Other non-current assets	202	202
Total non-current assets	71,231,591	101,635,136
Total assets	$ 86,024,003	$ 131,086,803
Liabilities and Equity		
Current liabilities:		
Current portion of non-recourse long-term debt	$ 19,940,000	$ 22,721,924
Deferred revenue	—	155,413
Due to Managing Trustee and affiliates, net	35,249	267,764
Accrued expenses and other current liabilities	783,320	1,042,457
Current portion of seller's credit	—	5,000,000
Total current liabilities	20,758,569	29,187,558
Non-current liabilities:		
Non-recourse long-term debt, less current portion	14,832,684	18,639,658
Seller's credits, less current portion	8,607,307	8,228,926
Other non-current liabilities	150,000	150,000
Total non-current liabilities	23,589,991	27,018,584
Total liabilities	44,348,560	56,206,142
Commitments and contingencies (Note 11)		
Equity:		
Beneficial owners' equity:		
Additional beneficial owners	40,609,445	66,475,278
Managing Trustee	(2,701,109)	(2,439,838)
Total beneficial owners' equity	37,908,336	64,035,440
Noncontrolling interests	3,767,107	10,845,221
Total equity	41,675,443	74,880,661
Total liabilities and equity	$ 86,024,003	$ 131,086,803

See accompanying notes to consolidated financial statements.

ICON Leasing Fund Twelve Liquidating Trust
(A Delaware Statutory Trust)
Consolidated Statements of Operations
(unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Revenue and other income:				
Finance income	$ 1,127,024	$ 2,416,693	$ 3,901,482	$ 8,531,589
Rental income	679,472	1,705,906	4,091,287	8,770,221
Time charter revenue	—	927,186	—	2,960,443
Loss from investment in joint ventures	—	(4,173)	(6,071)	(1,922,968)
Gain on sale of investment in joint venture	—	—	—	2,012,669
Gain on sale of vessels	—	303,943	—	303,943
Gain on extinguishment of seller's credit and interest payable	—	—	5,131,250	—
Other income	—	117,288	—	117,288
Total revenue and other income	1,806,496	5,466,843	13,117,948	20,773,185
Expenses:				
Management fees	44,029	117,369	192,112	809,578
Administrative expense reimbursements	210,785	225,055	660,757	843,590
General and administrative	346,235	521,069	1,188,799	1,864,053
Interest	687,826	792,256	2,172,196	2,516,884
Depreciation	617,394	1,063,132	2,743,118	4,803,018
Vessel operating	143,735	1,384,102	348,311	3,248,348
Credit loss	10,500,000	—	10,500,000	—
Impairment loss	2,024,000	3,105,000	19,285,525	8,323,643
Litigation settlement expense	—	—	—	1,209,000
Total expenses	14,574,004	7,207,983	37,090,818	23,618,114
Net loss	(12,767,508)	(1,741,140)	(23,972,870)	(2,844,929)
Less: net income (loss) attributable to noncontrolling interests	160,209	(2,821,929)	(2,896,493)	(5,656,386)
Net (loss) income attributable to Fund Twelve Liquidating Trust	$ (12,927,717)	$ 1,080,789	$ (21,076,377)	$ 2,811,457
Net (loss) income attributable to Fund Twelve Liquidating Trust allocable to:				
Additional beneficial owners	$ (12,798,440)	$ 1,069,981	$ (20,865,613)	$ 2,783,342
Managing Trustee	(129,277)	10,808	(210,764)	28,115
	$ (12,927,717)	$ 1,080,789	$ (21,076,377)	$ 2,811,457
Weighted average number of additional beneficial interests outstanding	348,335	348,335	348,335	348,335
Net (loss) income attributable to Fund Twelve Liquidating Trust per weighted average additional beneficial interest outstanding	$ (36.74)	$ 3.07	$ (59.90)	$ 7.99

See accompanying notes to consolidated financial statements.

ICON Leasing Fund Twelve Liquidating Trust
(A Delaware Statutory Trust)
Consolidated Statements of Changes in Equity

	Beneficial Owners' Equity					
	Additional Beneficial Interests	Additional Beneficial Owners	Managing Trustee	Total Beneficial Owners' Equity	Noncontrolling Interests	Total Equity
Balance, December 31, 2016	348,335	$ 66,475,278	$ (2,439,838)	$ 64,035,440	$ 10,845,221	$ 74,880,661
Net income (unaudited)	—	4,631,867	46,787	4,678,654	313,325	4,991,979
Distributions (unaudited)	—	(5,000,220)	(50,507)	(5,050,727)	(634,382)	(5,685,109)
Balance, March 31, 2017 (unaudited)	348,335	66,106,925	(2,443,558)	63,663,367	10,524,164	74,187,531
Net loss (unaudited)	—	(12,699,040)	(128,274)	(12,827,314)	(3,370,027)	(16,197,341)
Distributions (unaudited)	—	—	—	—	(641,937)	(641,937)
Balance, June 30, 2017 (unaudited)	348,335	53,407,885	(2,571,832)	50,836,053	6,512,200	57,348,253
Net (loss) income (unaudited)	—	(12,798,440)	(129,277)	(12,927,717)	160,209	(12,767,508)
Distributions (unaudited)	—	—	—	—	(2,905,302)	(2,905,302)
Balance, September 30, 2017 (unaudited)	348,335	$ 40,609,445	$ (2,701,109)	$ 37,908,336	$ 3,767,107	$ 41,675,443

See accompanying notes to consolidated financial statements.

ICON Leasing Fund Twelve Liquidating Trust
(A Delaware Statutory Trust)
Consolidated Statements of Cash Flows
(unaudited)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash flows from operating activities:		
Net loss	$ (23,972,870)	$ (2,844,929)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Finance income	(3,235,823)	(5,179,324)
Loss from investment in joint ventures	6,071	1,922,968
Depreciation	2,743,118	4,803,018
Interest expense from amortization of debt financing costs	99,544	116,599
Net accretion of seller's credits and other	378,381	357,486
Gain on extinguishment of seller's credit and interest payable	(5,131,250)	—
Credit loss	10,500,000	—
Impairment loss	19,285,525	8,323,643
Gain on sale of investment in joint venture	—	(2,012,669)
Gain on sale of vessels	—	(303,943)
Changes in operating assets and liabilities:		
Collection of finance leases	14,568,369	14,909,935
Restricted cash	128,534	30,649
Other assets	(486,383)	(3,168,737)
Accrued expenses and other current liabilities	(127,887)	(760,693)
Deferred revenue	(155,413)	(12,181)
Due to Managing Trustee and affiliates, net	(232,515)	(427,547)
Distributions from joint ventures	—	264,140
Net cash provided by operating activities	14,367,401	16,018,415
Cash flows from investing activities:		
Proceeds from sale of vessels	—	6,104,129
Investment in joint ventures	(6,071)	(12,957)
Distributions received from joint ventures in excess of profits	—	5,275
Proceeds from sale of investment in joint venture	—	12,067,099
Principal received on notes receivable	—	10,000,000
Net cash (used in) provided by investing activities	(6,071)	28,163,546
Cash flows from financing activities:		
Repayment of non-recourse long-term debt	(6,688,442)	(4,698,547)
Distributions to noncontrolling interests	(4,181,621)	(6,778,260)
Distributions to beneficial owners	(5,050,727)	(23,298,603)
Net cash used in financing activities	(15,920,790)	(34,775,410)
Net (decrease) increase in cash and cash equivalents	(1,559,460)	9,406,551
Cash and cash equivalents, beginning of period	10,255,053	8,404,092
Cash and cash equivalents, end of period	$ 8,695,593	$ 17,810,643
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,669,833	$ 2,066,203

See accompanying notes to consolidated financial statements.

(1) Organization

ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust"), a Delaware statutory trust, was transferred all of the assets and liabilities of ICON Leasing Fund Twelve, LLC (the "LLC" or "Fund Twelve"), a Delaware limited liability company, as of December 31, 2016. When used in these notes to consolidated financial statements, the terms "we," "us," "our" or similar terms refer to (i) the LLC and its consolidated subsidiaries for all periods prior to the transfer of the assets and liabilities of the LLC to the Liquidating Trust and (ii) the Liquidating Trust and its consolidated subsidiaries as of December 31, 2016 and thereafter. The terms "LLC" and "Liquidating Trust" are interchangeable, as the context so requires, when used in the consolidated financial statements.

Prior to the transfer of the assets and liabilities of the LLC to the Liquidating Trust, the manager of the LLC was ICON Capital, LLC, a Delaware limited liability company (the "Manager"). As of December 31, 2016 and thereafter, our Manager became the managing trustee of the Liquidating Trust (the "Managing Trustee"). The terms "Manager" and "Managing Trustee" are interchangeable, as the context so requires, when used in the consolidated financial statements.

The Liquidating Trust is governed by a Liquidating Trust Agreement (the "Trust Agreement") that appointed our Manager as Managing Trustee of the Liquidating Trust. Our Managing Trustee manages and controls our business affairs, including, but not limited to, our equipment leases and other financing transactions. On December 31, 2016, all assets and liabilities of the LLC were transferred to the Liquidating Trust in order to reduce expenses and to maximize potential distributions to beneficial owners of the Liquidating Trust. On December 31, 2016, all shares of limited liability company interests ("Shares") were exchanged for an equal number of beneficial interests (the "Interests") in the Liquidating Trust.

We operated as an equipment leasing and finance program in which the capital our beneficial owners invested was pooled together to make investments, pay fees and establish a small reserve. We primarily acquired equipment subject to lease, purchased equipment and leased it to third-party end users or financed equipment for third parties and, to a lesser degree, acquired ownership rights to items of leased equipment at lease expiration.

Our operating period commenced on May 1, 2009 and ended on April 30, 2014. Our liquidation period commenced on May 1, 2014, during which we have sold and will continue to sell our assets and/or let our investments mature in the ordinary course of business.

On May 30, 2017, our Managing Trustee retained ABN AMRO Securities (USA) LLC ("ABN AMRO") as its financial advisor to assist our Managing Trustee and us in identifying, evaluating and executing a potential sale of certain shipping and offshore energy assets currently included within our investment portfolio. We, however, cannot assure that the identification or evaluation to be performed will result in any specific sale transaction or series of transactions.

(2) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

Our accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for Quarterly Reports on Form 10-Q. In the opinion of our Managing Trustee, all adjustments, which are of a normal recurring nature, considered necessary for a fair presentation have been included. These consolidated financial statements should be read together with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2016. The results for the interim period are not necessarily indicative of the results for the full year.

In accordance with U.S. GAAP pertaining to transactions amongst entities under common control, the financial position and results of operations of the LLC are presented as those of the Liquidating Trust retroactively to the beginning of the earliest period presented.

Certain reclassifications have been made to the accompanying consolidated financial statements in the prior year to conform to the current presentation.

Restricted Cash

Cash that is restricted from use in operations is generally classified as restricted cash. Classification of changes in restricted cash within the consolidated statements of cash flows depends on the predominant source of the related cash flows. For the nine months ended September 30, 2017 and 2016, the predominant cash generated from restricted cash was related to the release of restricted cash sourced from rental receipts associated with our leasing operations that was previously restricted pursuant to certain provisions in the applicable non-recourse long-term debt agreements. As a result, changes in restricted cash were classified within net cash provided by operating activities for the nine months ended September 30, 2017 and 2016.

Credit Quality of Notes Receivable and Finance Leases and Credit Loss Reserve

Our Managing Trustee monitors the ongoing credit quality of our financing receivables by (i) reviewing and analyzing a borrower's financial performance on a regular basis, including review of financial statements received on a monthly, quarterly or annual basis as prescribed in the loan or lease agreement, (ii) tracking the relevant credit metrics of each financing receivable and a borrower's compliance with financial and non-financial covenants, (iii) monitoring a borrower's payment history and public credit rating, if available, and (iv) assessing our exposure based on the current investment mix. As part of the monitoring process, our Managing Trustee may physically inspect the collateral or a borrower's facility and meet with a borrower's management to better understand such borrower's financial performance and its future plans on an as-needed basis.

As our financing receivables, generally notes receivable and finance leases, are limited in number, our Managing Trustee is able to estimate the credit loss reserve based on a detailed analysis of each financing receivable as opposed to using portfolio-based metrics. Our Managing Trustee does not use a system of assigning internal risk ratings to each of our financing receivables. Rather, each financing receivable is analyzed quarterly and categorized as either performing or non-performing based on certain factors including, but not limited to, financial results, satisfying scheduled payments and compliance with financial covenants. A financing receivable is usually categorized as non-performing only when a borrower experiences financial difficulties and has failed to make scheduled payments. Our Managing Trustee then analyzes whether the financing receivable should be placed on a non-accrual status, a credit loss reserve should be established or the financing receivable should be restructured. As part of the assessment, updated collateral value is usually considered and such collateral value can be based on a third party industry expert appraisal or, depending on the type of collateral and accessibility to relevant published guides or market sales data, internally derived fair value. Material events would be specifically disclosed in the discussion of each financing receivable held.

Financing receivables are generally placed on a non-accrual status when payments are more than 90 days past due. Additionally, our Managing Trustee periodically reviews the creditworthiness of companies with payments outstanding less than 90 days and based upon our Managing Trustee's judgment, these accounts may be placed on a non-accrual status.

In accordance with the cost recovery method, payments received on non-accrual financing receivables are applied to principal if there is doubt regarding the ultimate collectability of principal. If collection of the principal of non-accrual financing receivables is not in doubt, interest income is recognized on a cash basis. Financing receivables on non-accrual status may not be restored to accrual status until all delinquent payments have been received, and we believe recovery of the remaining unpaid receivable is probable.

When our Managing Trustee deems it is probable that we will not be able to collect all contractual principal and interest on a non-performing financing receivable, we perform an analysis to determine if a credit loss reserve is necessary. This analysis considers the estimated cash flows from the financing receivable, and/or the collateral value of the asset underlying the financing receivable when financing receivable repayment is collateral dependent. If it is determined that the impaired value of the non-performing financing receivable is less than the net carrying value, we will recognize a credit loss reserve or adjust the existing credit loss reserve with a corresponding charge to earnings. We then charge off a financing receivable in the period that it is deemed uncollectible by reducing the credit loss reserve and the balance of the financing receivable.

Recently Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-07, *Investments – Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting* ("ASU 2016-07"), which eliminates the retroactive adjustments to an investment upon it qualifying for the equity method of accounting as a result of an increase in the level of ownership interest or degree of influence by the investor. ASU 2016-07 requires that the equity method investor add the cost of acquiring the additional interest in the investee to the current basis of the investor's previously held interest and adopt the equity method of accounting as of the date the investment qualifies for equity method accounting. We adopted ASU 2016-07 on January 1, 2017, which did not have an effect on our consolidated financial statements.

In October 2016, FASB issued ASU No. 2016-17, *Consolidation* ("ASU 2016-17"), which amends the consolidation guidance on how a reporting entity that is the single decision maker of a variable interest entity should treat indirect interests in such entity held by related parties that are under common control with the reporting entity when determining whether it is the primary beneficiary of that variable interest entity. Under ASU 2016-17, a single decision maker is not required to consider indirect interests held by related parties that are under common control with the single decision maker to be the equivalent of direct interests in their entirety. We adopted ASU 2016-17 on January 1, 2017, which did not have an effect on our consolidated financial statements.

Other Recent Accounting Pronouncements

In May 2014, FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), requiring revenue to be recognized in an amount that reflects the consideration expected to be received in exchange for goods and services. This new revenue standard may be applied retrospectively to each prior period presented, or retrospectively with the cumulative effect recognized as of the date of adoption. In August 2015, FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date* ("ASU 2015-14"), which defers implementation of ASU 2014-09 by one year. Under such deferral, the adoption of ASU 2014-09 becomes effective for us on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted, but not before our original effective date of January 1, 2017. Our evaluation of the impact of the adoption of ASU 2014-09 on our consolidated financial statements is ongoing and our implementation efforts have included the identification of revenue within the scope of the guidance and the evaluation of applicable revenue contracts. We continue to evaluate the timing of recognition of various revenue; however, since a substantial portion of our revenue is recognized from our leasing contracts, which is subject to ASU 2016-02 (as defined below), such revenue is excluded from our evaluation of ASU 2014-09.

In January 2016, FASB issued ASU No. 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"), which provides guidance related to accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The adoption of ASU 2016-01 becomes effective for us on January 1, 2018, including interim periods within that reporting period. We are currently in the process of evaluating the impact of the adoption of ASU 2016-01 on our consolidated financial statements.

In February 2016, FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"), which requires lessees to recognize assets and liabilities for leases with lease terms greater than twelve months on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 implements changes to lessor accounting focused on conforming with certain changes made to lessee accounting and the recently released revenue recognition guidance. The adoption of ASU 2016-02 becomes effective for us on January 1, 2019. Early adoption is permitted. Based on our preliminary assessment, most, if not all, of our leases are subject to lessor accounting and the accounting applied by a lessor is largely unchanged from that applied under current U.S. GAAP. We continue to evaluate the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* ("ASU 2016-13"), which modifies the measurement of credit losses by eliminating the probable initial recognition threshold set forth in current guidance, and instead reflects an entity's current estimate of all expected credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. An entity will apply the amendments within ASU 2016-13 through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The adoption of ASU 2016-13 becomes effective for us on January 1, 2020, including interim periods within that reporting period. Early adoption is permitted. We are currently in the process of evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

In August 2016, FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"), which provides guidance on how certain cash receipts and cash payments are to be presented and classified in the statement of cash flows. The adoption of ASU 2016-15 becomes effective for us on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted. An entity will apply the amendments within ASU 2016-15 using a retrospective transition method to each period presented. We are currently in the process of evaluating the impact of the adoption of ASU 2016-15 on our consolidated financial statements.

In November 2016, FASB issued ASU No. 2016-18, *Statement of Cash Flows* ("ASU 2016-18"), which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. The adoption of ASU 2016-18 becomes effective for us on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted. An entity will apply the amendments within ASU 2016-18 using a retrospective transition method to each period presented. We are currently in the process of evaluating the impact of the adoption of ASU 2016-18 on our consolidated financial statements.

In January 2017, FASB issued ASU No. 2017-01, *Business Combinations* ("ASU 2017-01"), which clarifies the definition of a business. ASU 2017-01 sets forth requirements to be met for a set to be deemed a business and establishes a practical way to determine when a set is not a business. To be considered a business, a set must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create an output, and removes the evaluation of whether a market participant could replace missing elements. In addition, ASU 2017-01 narrows the definition of outputs and aligns such definition with how outputs are described within the revenue guidance. The adoption of ASU 2017-01 becomes effective for us on January 1, 2018, including interim periods within that reporting period. Early adoption is permitted for transactions that occur before the issuance date or effective date of ASU 2017-01 to the extent that such transactions have not been reported in financial statements that have been issued or made available for issuance. We are currently in the process of evaluating the impact of the adoption of ASU 2017-01 on our consolidated financial statements.

(3) Net Investment in Notes Receivable

As of September 30, 2017, we had net investment in notes receivable on non-accrual status of $16,890,944 and no net investment in notes receivable that was past due 90 days or more and still accruing. As of December 31, 2016, we had no net investment in notes receivable on non-accrual status and net investment in notes receivable of $21,002,939, of which $8,281,871 was over 90 days past due and still accruing.

As of December 31, 2016, our net investment in note receivable and accrued interest related to four affiliates of Técnicas Maritimas Avanzadas, S.A. de C.V. (collectively, "TMA") totaled $21,002,939 and $5,720,333, respectively. TMA has been in technical default due to its failure to cause all four platform supply vessels to be under contract by March 31, 2015 and in payment default while available cash has been swept by the senior lender and applied to the senior tranche of the facility (the "Senior Loan") in accordance with the secured term loan credit facility agreement. As a result, the principal balance of the Senior Loan was paid down at a faster rate. In January 2016, the remaining two previously unchartered vessels had commenced employment. Based on, among other things, TMA's payment history and estimated collateral value as of December 31, 2016, our Managing Trustee believed that it was likely that all outstanding principal and accrued interest under our tranche of the facility (the "ICON Loan") would be collectible and as a result, we continued to account for our net investment in note receivable related to TMA on an accrual basis as of December 31, 2016 despite a portion of the outstanding balance being over 90 days past due. Though on an accrual basis, default interest was not accrued on either the principal balance of the note receivable or the interest receivable. In addition, interest was not assessed on the overdue principal balance of the note receivable. Our Managing Trustee continues to assess the collectability of the note receivable at each reporting date. During the three months ended June 30, 2017, our Managing Trustee believed it was prudent to place the note receivable on non-accrual status. In September 2017, our Managing Trustee met with certain restructuring advisors engaged by TMA to discuss a potential restructuring of the company. In light of these developments and a decrease in the fair market value of the collateral, in which we have a second priority security interest, our Managing Trustee determined to record a credit loss of $10,500,000 during the three months ended September 30, 2017. As of September 30, 2017 and December 31, 2016, our share of the collateral value, net of the balance of the Senior Loan, was estimated to be approximately $8,900,000 and $4,800,000, respectively. As of September 30, 2017, our net investment in note receivable related to TMA was $16,890,944. In addition, we have an accrued interest receivable related to TMA of $6,388,005, which has been fully reserved, resulting in a net carrying value of $0. For the three and nine months ended September 30, 2017, we recognized finance income of $0 and $667,672, respectively, of which no amount was recognized on a cash basis. For the three and nine months ended September 30, 2016, we recognized finance income of $730,624 and $2,246,664, respectively, of which no amount was recognized on a cash basis.

Net investment in notes receivable consisted of the following:

	September 30, 2017	December 31, 2016
Principal outstanding(1)	$ 21,002,939	$ 21,002,939
Credit loss reserve(2)	(4,111,995)	—
Net investment in notes receivable(3)	16,890,944	21,002,939
Less: current portion of net investment in notes receivable	4,093,479	6,447,158
Net investment in notes receivable, less current portion	$ 12,797,465	$ 14,555,781

(1) As of September 30, 2017 and December 31, 2016, total principal outstanding related to our impaired loan was $21,002,939 and $0, respectively.
(2) As of September 30, 2017, we had a credit loss reserve of $10,500,000 related to TMA, of which $6,388,005 was reserved against the accrued interest receivable included in other current assets and $4,111,995 was reserved against the current portion of net investment in notes receivable.
(3) As of September 30, 2017 and December 31, 2016, net investment in note receivable related to our impaired loan was $16,890,944 and $0, respectively.

Credit loss allowance activities for the three months ended September 30, 2017 were as follows:

	Credit Loss Allowance
Allowance for credit loss as of June 30, 2017	$ —
Provisions	10,500,000
Write-offs, net of recoveries	—
Allowance for credit loss as of September 30, 2017	$ 10,500,000

Credit loss allowance activities for the nine months ended September 30, 2017 were as follows:

	Credit Loss Allowance
Allowance for credit loss as of December 31, 2016	$ —
Provisions	10,500,000
Write-offs, net of recoveries	—
Allowance for credit loss as of September 30, 2017	$ 10,500,000

There was no allowance for credit loss at the beginning or at the end of the nine months ended September 30, 2016. There were no related activities during the nine months ended September 30, 2016.

(4) Net Investment in Finance Leases

As of September 30, 2017 and December 31, 2016, we had no net investment in finance leases on non-accrual status and no net investment in finance leases that was past due 90 days or more and still accruing.

Net investment in finance leases consisted of the following:

	September 30, 2017	December 31, 2016
Minimum rents receivable	$ 46,217,250	$ 56,640,856
Estimated guaranteed residual values	—	4,316,144
Initial direct costs	674,145	919,766
Unearned income	(12,352,621)	(16,005,446)
Net investment in finance leases	34,538,774	45,871,320
Less: current portion of net investment in finance leases	1,980,116	6,824,610
Net investment in finance leases, less current portion	$ 32,558,658	$ 39,046,710

On July 21, 2017, Blackhawk Mining, LLC and its affiliates (collectively, “Blackhawk”) satisfied their remaining lease obligations by making a prepayment of $7,753,666. As a result, we recognized finance income of $353,373.

(5) Leased Equipment at Cost

Leased equipment at cost consisted of the following:

	September 30, 2017	December 31, 2016
Offshore oil field services equipment	$ 25,689,062	$ 40,350,587
Mining equipment	6,858,074	6,858,074
Leased equipment at cost	32,547,136	47,208,661
Less: accumulated depreciation	12,990,483	10,247,365
Leased equipment at cost, less accumulated depreciation	$ 19,556,653	$ 36,961,296

Depreciation expense was $617,394 and $2,743,118 for the three and nine months ended September 30, 2017, respectively. Depreciation expense related to leased equipment at cost was $1,063,132 and $4,625,631 for the three and nine months ended September 30, 2016, respectively. In addition, we incurred depreciation expense related to vessels of $0 and $177,387 for the three and nine months ended September 30, 2016, respectively. Such vessels were classified as assets held for sale as of June 30, 2016 and were subsequently sold during 2016. As a result, no depreciation expense was recognized since the three months ended September 30, 2016.

On June 12, 2014, a joint venture owned 75% by us, 12.5% by ICON Equipment and Corporate Infrastructure Fund Fourteen, L.P. ("Fund Fourteen") and 12.5% by ICON ECI Fund Fifteen, L.P. ("Fund Fifteen"), each an entity also managed by our Managing Trustee, purchased an offshore supply vessel from Pacific Crest Pte. Ltd. (“Pacific Crest”) for $40,000,000. Simultaneously, the vessel was bareboat chartered to Pacific Crest for ten years. The vessel was acquired for approximately $12,000,000 in cash, $26,000,000 of financing through a senior secured loan from DVB Group Merchant Bank (Asia) Ltd. ("DVB") and $2,000,000 of financing through a subordinated, non-interest-bearing seller’s credit.

Since July 2017, Pacific Crest has failed to make its monthly charter payments and our Managing Trustee was advised in July 2017 that Pacific Crest is engaged in discussions with its lenders regarding a potential restructuring of its outstanding debt obligations. As a result, we performed an impairment test on the vessel. Based on such test, we recorded an impairment loss of $14,661,525 during the three months ended June 30, 2017. In addition, our Managing Trustee determined to reduce the estimated residual value from $15,300,000 to $13,000,000. As a result of the impairment loss and the change in residual value, our monthly depreciation has decreased by $148,279, effective July 1, 2017. During the three months ended September 30, 2017, we ceased recognizing rental income on the lease.

(6) Asset Held for Sale

On March 24, 2009, we and Swiber Engineering Ltd. (“Swiber”) entered into a joint venture owned 51% by us and 49% by Swiber for the purpose of purchasing a 300-man accommodation and work barge, the Swiber Chateau (f/k/a the Swiber Victorious). Simultaneously with the purchase, the barge was chartered to Swiber Offshore Marine Pte. Ltd., an affiliate of Swiber ("Swiber Offshore"), for 96 months, which expired on March 23, 2017. The Swiber Chateau was purchased for $42,500,000, which was funded by (i) a $19,125,000 equity investment from us, (ii) a $18,375,000 contribution-in-kind by Swiber and (iii) a $5,000,000 subordinated, non-recourse and unsecured payable from Swiber. The payable bore interest at 3.5% per year and was recorded within seller's credits on our consolidated balance sheet as of December 31, 2016.

Pursuant to the joint venture's operating agreement, in the event that, among other things, (i) there is a default by Swiber Offshore under the charter, or (ii) the fair market value of the barge is less than $21,000,000, all of Swiber's interests in the distributions, net cash flow, net profits and net proceeds resulting from the joint venture are subordinated to our rights in such distributions, net cash flow, net profits and net proceeds until such time that we have received in distributions the return of the full amount of our contribution to the joint venture and a return at a monthly compounded rate equal to 15.51% per year (the "Preferred Equity Interest").

Swiber Offshore failed to make its monthly charter payments to the joint venture from July 2016 through the expiration of the charter in March 2017. During 2016, we obtained third-party appraisals indicating that the estimated fair market value of the barge as of June 30, 2016 and September 30, 2016 was $17,875,000 and $14,770,000, respectively, which was below the then net carrying value. As a result, we recorded an impairment loss of $5,218,643 and $3,105,000 during the three months ended June 30, 2016 and September 30, 2016, respectively, which were allocated entirely to Swiber due to our Preferred Equity Interest.

On July 29, 2016, Swiber Holdings Ltd. ("Swiber Holdings"), the parent company of Swiber and Swiber Offshore (together with Swiber and Swiber Offshore, the "Swiber Group") and the guarantor of the payment and performance obligations of Swiber Offshore and its affiliates under the transaction documents, submitted an application for court-supervised judicial management in Singapore. On November 28, 2016, Swiber Offshore filed an application for voluntary winding up and liquidation in Singapore. As a result of (i) Swiber Offshore's and Swiber Holdings' default on their respective obligations under the charter and the guaranty, respectively, (ii) Swiber Offshore and Swiber Holdings being subject to voluntary winding up and judicial management proceedings, respectively, (iii) a decrease in the fair market value of the Swiber Chateau and (iv) the barge being classified as asset held for sale as of December 31, 2016, we recorded an additional impairment loss of $7,170,000 during the remainder of 2016, of which only $383,329 was allocated to Swiber as the balance of the noncontrolling interest in the joint venture had been reduced to zero. As a result of advanced negotiations for the sale of the Swiber Chateau to a potential third party purchaser, we further wrote down the barge by $900,000 during the three months ended March 31, 2017 to its estimated fair value less cost to sell based on the negotiated purchase price. Subsequently, this proposed sale transaction fell through. During the three months ended June 30, 2017, we resumed marketing the Swiber Chateau for sale and were in negotiations with another potential purchaser. Based on such negotiations, our Managing Trustee determined to record an additional impairment loss of $1,700,000 during the three months ended June 30, 2017. Subsequently, this proposed sale transaction also fell through. Since then, our Managing Trustee resumed marketing the Swiber Chateau for sale and has entered into a memorandum of agreement to sell the barge. As a result, we recorded an additional impairment loss of $2,024,000 during the three months ended September 30, 2017 based on the estimated fair value less cost to sell.

Pursuant to the purchase and charter agreement, upon expiration of the charter on March 23, 2017, the joint venture's obligation to pay to Swiber principal and interest outstanding under the payable of $5,131,250 was extinguished as a result of the continuing defaults under the transaction documents by the Swiber Group. The gain on extinguishment of the seller's credit and the related interest payable of $5,131,250 was allocated entirely to us during the three months ended March 31, 2017 due to our Preferred Equity Interest.

For the three and nine months ended September 30, 2017, pre-tax (loss) income associated with the Swiber Chateau was $(2,024,000) and $463,355, respectively, of which pre-tax (loss) income attributable to us was $(2,024,000) and $463,355, respectively. For the three and nine months ended September 30, 2016, pre-tax loss associated with the Swiber Chateau was $3,148,255 and $6,146,959, respectively, of which pre-tax (loss) income attributable to us was $(22,060) and $1,110,109, respectively.

(7) Investment in Joint Ventures

On June 8, 2016, an unaffiliated third party purchased 100% of the limited liability company interests of ICON AET Holdings, LLC ("ICON AET"), a joint venture owned 25% by us and 75% by Fund Fourteen, for net sales proceeds of $48,798,058. As a result, we recorded a gain on sale of investment in joint venture of $2,012,669 during the three months ended June 30, 2016.

Information as to the results of operations of ICON AET is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ —	$ —	$ —	$ 8,282,126
Net income	$ —	$ —	$ —	$ 1,679,328
Our share of net income	$ —	$ —	$ —	$ 414,206

On December 22, 2011, ICON Mauritius MI, LLC ("ICON Mauritius MI"), a joint venture owned 25% by us and 75% by Fund Fourteen, made a $20,124,000 subordinated term loan to Jurong Aromatics Corporation Pte. Ltd. ("JAC") as part of a $171,050,000 term loan facility. Our initial contribution to this joint venture was $6,313,875. On May 15, 2013, ICON Mauritius MI II, LLC ("ICON Mauritius MI II"), a joint venture owned 21% by us, 39% by ICON Leasing Fund Eleven Liquidating Trust (formerly, ICON Leasing Fund Eleven, LLC), an entity also managed by our Managing Trustee, and 40% by Fund Fifteen, purchased a portion of a $208,038,290 subordinated credit facility for JAC from Standard Chartered Bank for $28,462,500. Our initial contribution to this joint venture was $6,456,034. The loan and the facility initially bore interest at rates ranging between 12.5% and 15% per year and were scheduled to mature in January 2021. As a result of JAC's failure to make an expected payment that was due to the joint ventures during the three months ended March 31, 2015, the interest rate payable by JAC under the loan and the facility increased from 12.5% to 15.5%. The loan and the facility were secured by a second priority security interest in all of JAC's assets, which included, among other things, all equipment, plant and machinery associated with a condensate splitter and aromatics complex.

During 2015, JAC experienced liquidity constraints as a result of a general economic slow-down in China and India, which led to lower demand from such countries, as well as the price decline of energy and other commodities. As a result, JAC's manufacturing facility ceased operations and JAC was not able to service interest payments under the loan and the facility. In addition, an expected tolling arrangement with JAC's suppliers that would have allowed JAC's manufacturing facility to resume operations did not commence in 2015 as originally anticipated. Discussions among the senior lenders and certain other stakeholders of JAC regarding a restructuring plan ended as the senior lenders did not agree to amendments to their credit facilities as part of the broader restructuring that was being contemplated. As a result, JAC entered receivership on September 28, 2015.

As a result of these factors, during the three months ended June 30, 2015, our Managing Trustee determined that there was doubt regarding the joint ventures' ultimate collectability of the loan and facility and commenced recording credit losses. Commencing with the three months ended June 30, 2015 and on a quarterly basis thereafter, our Managing Trustee reassessed the collectability of the loan and facility by considering the following factors, among others (i) what a potential buyer may be willing to pay to acquire JAC based on a comparable enterprise value derived from EBITDA multiples and (ii) the average trading price of unsecured distressed debt in comparable industries. During the year ended December 31, 2015, the joint ventures recorded an aggregate credit loss of $60,258,883 related to JAC based on our Managing Trustee's quarterly collectability analyses, of which our share was $14,010,881. Our Managing Trustee also assessed impairment under the equity method of accounting for our investment in the joint ventures and concluded that there was no impairment.

In January 2016, our Managing Trustee engaged in further discussions with JAC's other subordinated lenders and the Receiver regarding a near term plan for JAC's manufacturing facility. Based upon such discussions, our Managing Trustee anticipated that a one-year tolling arrangement with JAC's suppliers would be implemented to allow JAC's manufacturing facility to recommence operations. In July 2016, the tolling arrangement was implemented and the manufacturing facility resumed operations. Although JAC's manufacturing facility resumed operations, no debt payments were made by JAC to the joint ventures while operating under the tolling arrangement. As part of the tolling arrangement and the receivership process, JAC incurred additional senior debt, which could have been up to $55,000,000, to fund its operations as well as any receivership-related costs. As a result, our Managing Trustee determined that the joint ventures' ultimate collectability of the loan and the facility was further in doubt. As of June 30, 2016, our Managing Trustee updated its quarterly assessment by considering (i) a comparable enterprise value derived from EBITDA multiples; (ii) the average trading price of unsecured distressed debt in comparable industries and (iii) the additional senior debt incurred by JAC, which had priority over the joint ventures' loan and facility. Based upon this reassessment, our Managing Trustee determined that the joint ventures should fully reserve the outstanding balance of the loan and facility due from JAC as of June 30, 2016. As a result, the joint ventures recorded an additional total credit loss of $10,137,863 for the three months ended June 30, 2016, of which our share was $2,319,835. During the fourth quarter of 2016, the Receiver formally commenced the process of marketing JAC's manufacturing facility for sale. On September 12, 2017, our Managing Trustee received a formal notice from the Receiver notifying us that on August 28, 2017, the Receiver concluded a sale of substantially all of the assets of JAC (including the manufacturing facility) to a third party and confirmed that no sales proceeds are anticipated to be distributed to the subordinated lenders. As a result, the joint ventures wrote off an aggregate credit loss reserve and corresponding balances related to the loan and the facility of $70,396,746 during the three months ended September 30, 2017. The joint ventures did not recognize any finance income for the three and nine months ended September 30, 2017 and 2016. As of December 31, 2016, the total net investment in notes receivable held by the joint ventures was $0. As of September 30, 2017 and December 31, 2016, our total investment in the joint ventures was $0.

Information as to the results of operations of ICON Mauritius MI is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ —	$ —	$ —	$ —
Net income (loss)	$ 5,389	$ (3,172)	$ (6,155)	$ (4,798,217)
Our share of net income (loss)	$ 1,347	$ (2,225)	$ (1,539)	$ (1,202,053)

Information as to the results of operations of ICON Mauritius MI II is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenue	$ —	$ —	$ —	$ —
Net income (loss)	$ 6,336	$ 10,988	$ (2,363)	$ (5,388,209)
Our share of net income (loss)	$ 1,331	$ (1,948)	$ (496)	$ (1,135,788)

(8) Non-Recourse Long-Term Debt

As of September 30, 2017 and December 31, 2016, we had the following non-recourse long-term debt:

Counterparty	September 30, 2017	December 31, 2016	Maturity	Rate
DVB Group Merchant Bank (Asia) Ltd.	$ 35,130,800	$ 39,465,000	2021-2022	5.04%-6.1225%
People's Capital and Leasing Corp.	—	2,354,242	2018	6.50%
Total principal outstanding on non-recourse long-term debt	35,130,800	41,819,242		
Less: debt issuance costs	358,116	457,660		
Total non-recourse long-term debt	34,772,684	41,361,582		
Less: current portion of non-recourse long-term debt	19,940,000	22,721,924		
Total non-recourse long-term debt, less current portion	$ 14,832,684	$ 18,639,658		

All of our non-recourse long-term debt obligations consist of notes payable in which the lender has a security interest in the underlying assets. If the lessee was to default on the underlying lease, resulting in our default on the non-recourse long-term debt, the assets could be foreclosed upon and the proceeds would be remitted to the lender in extinguishment of that debt. As of September 30, 2017 and December 31, 2016, the total carrying value of assets subject to non-recourse long-term debt was $52,355,508 and $79,790,314, respectively.

On October 20, 2016, we were notified of an event of default on the senior debt associated with two tanker vessels currently on charter to an affiliate of Foreguard Shipping I Global Ships Ltd. (f/k/a Siva Global Ships Limited) ("Foreguard Shipping") as a result of a change of control of the bareboat charter guarantor, an affiliate of Foreguard Shipping. The lender has reserved, but not exercised, its rights under the loan agreement. As a result of such default, we classified the entire outstanding balance of the debt of $16,815,000 and $18,465,000 to current liabilities as of September 30, 2017 and December 31, 2016, respectively.

On July 21, 2017, a portion of the proceeds from the prepayment made by Blackhawk was used to satisfy our remaining non-recourse long-term debt obligations to People's Capital and Leasing Corp. ("People's Capital") of $1,204,661.

At September 30, 2017, we were in compliance with all covenants related to our non-recourse long-term debt, except as disclosed above.

(9) Transactions with Related Parties

We paid distributions to our Managing Trustee of $0 and $131,976 for the three months ended September 30, 2017 and 2016, respectively. We paid distributions to our Managing Trustee of $50,507 and $232,986 for the nine months ended September 30, 2017 and 2016, respectively. Our Managing Trustee's interest in our net (loss) income for the three months ended September 30, 2017 and 2016 was $(129,277) and $10,808, respectively. Our Managing Trustee's interest in our net (loss) income for the nine months ended September 30, 2017 and 2016 was $(210,764) and $28,115, respectively.

Fees and other expenses incurred by us to our Managing Trustee or its affiliates were as follows:

			Three Months Ended September 30,		Nine Months Ended September 30,	
Entity	Capacity	Description	2017	2016	2017	2016
ICON Capital, LLC	Managing Trustee	Management fees (1)	$ 44,029	$ 117,369	$ 192,112	$ 809,578
ICON Capital, LLC	Managing Trustee	Administrative expense reimbursements (1)	210,785	225,055	660,757	843,590
			$ 254,814	$ 342,424	$ 852,869	$ 1,653,168

(1) Amount charged directly to operations.

At September 30, 2017 and December 31, 2016, we had a net payable due to our Managing Trustee and affiliates of $35,249 and $267,764, respectively. The net payable at September 30, 2017 and December 31, 2016 primarily related to administrative expense reimbursements.

(10) Fair Value Measurements

Assets and liabilities carried at fair value are classified and disclosed in one of the following three categories:

- Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2: Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3: Pricing inputs that are generally unobservable and are supported by little or no market data.

Assets Measured at Fair Value on a Nonrecurring Basis

We are required, on a nonrecurring basis, to adjust the carrying value or provide valuation allowances for certain assets using fair value measurements. Our non-financial assets, such as leased equipment at cost, are measured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment charge is recognized. Assets classified as held for sale are required to be recorded at the lower of carrying value or fair value less any costs to sell such assets. To determine the fair value when impairment indicators exist, we utilize different valuation approaches based on transaction-specific facts and circumstances to determine fair value, including, but not limited to, discounted cash flow models and the use of comparable transactions.

The following tables summarize the valuation of our material non-financial assets measured at fair value on a nonrecurring basis, which is presented as of the date the impairment was recorded, while the carrying value of the assets is presented as of September 30, 2017.

	Carrying Value at September 30, 2017	Fair Value at Impairment Date			Impairment Loss for the Nine Months Ended September 30, 2017
		Level 1	Level 2	Level 3	
Asset held for sale	$ 2,976,000	$ —	$ —	$ 3,100,000 (1)	$ 4,624,000

(1) There were nonrecurring fair value measurements in relation to the impairment loss recorded as of March 31, 2017, June 30, 2017 and September 30, 2017 related to the Swiber Chateau. As of March 31, 2017, June 30, 2017 and September 30, 2017, the fair value was $7,000,000, $5,350,000 and $3,100,000, respectively.

During the three months ended March 31, 2017, as a result of advanced negotiations for the sale of the Swiber Chateau to a potential third party purchaser, we further wrote down the barge by $900,000 to its estimated fair value less cost to sell based on the negotiated purchase price. Subsequently, this proposed sale transaction fell through. During the three months ended June 30, 2017, we resumed marketing the Swiber Chateau for sale and were in negotiations with another potential purchaser. Based on such negotiations, our Managing Trustee determined to record an additional impairment loss of $1,700,000 during the three months ended June 30, 2017. Subsequently, this proposed sale transaction also fell through. Since then, our Managing Trustee resumed marketing the Swiber Chateau for sale and has entered into a memorandum of agreement to sell the barge. As a result, we recorded an additional impairment loss of $2,024,000 during the three months ended September 30, 2017. The net carrying value of such asset held for sale of $2,976,000 represents the estimated fair value of the Swiber Chateau of $3,100,000 less cost to sell. As of September 30, 2017, the estimated fair value of the Swiber Chateau and cost to sell were based on inputs that are generally unobservable and are supported by little or no market data and were classified within Level 3.

	Carrying Value at September 30, 2017	Fair Value at Impairment Date			Impairment Loss for the Nine Months Ended September 30, 2017
		Level 1	Level 2	Level 3	
Leased equipment at cost	$ 17,816,734	$ —	$ —	$ 18,000,000	$ 14,661,525

Since July 2017, Pacific Crest has failed to make its monthly charter payments and our Managing Trustee was advised in July 2017 that Pacific Crest is engaged in discussions with its lenders regarding a potential restructuring of its outstanding debt obligations. As a result, we performed an impairment test on the vessel. Based on such test, we recorded an impairment loss of $14,661,525 during the three months ended June 30, 2017. As of June 30, 2017, the estimated fair market value of the offshore supply vessel was based on a third-party valuation using a market approach. The estimated fair market value was based on inputs that are generally unobservable and are supported by little or no market data and were classified within Level 3.

Assets and Liabilities for which Fair Value is Disclosed

Certain of our financial assets and liabilities, which include fixed-rate notes receivable, fixed-rate non-recourse long-term debt and seller's credits, for which fair value is required to be disclosed, were valued using inputs that are generally unobservable and supported by little or no market data and are therefore classified within Level 3. Under U.S. GAAP, we use projected cash flows for fair value measurements of these financial assets and liabilities. Fair value information with respect to certain of our other assets and liabilities is not separately provided since (i) U.S. GAAP does not require fair value disclosures of lease arrangements and (ii) the carrying value of financial assets and liabilities, other than lease-related investments, approximates fair value due to their short-term maturities.

The estimated fair value of our fixed-rate notes receivable approximates the net carrying value of $10,502,939 after recording a credit loss during the three months ended September 30, 2017. The estimated fair value of our fixed-rate non-recourse long-term debt and seller's credits was based on the discounted value of future cash flows related to the debt and seller's credits based on a discount rate derived from the margin at inception, adjusted for material changes in risk, plus the applicable fixed rate based on the current interest rate curve. The fair value of the principal outstanding on fixed-rate non-recourse long-term debt and the seller's credits was derived using discount rates ranging between 5.5% and 9.2% as of September 30, 2017.

	September 30, 2017	
	Carrying Value	Fair Value (Level 3)
Principal outstanding on fixed-rate non-recourse long-term debt	$ 35,130,800	$ 34,815,000
Seller's credits	$ 8,607,307	$ 9,081,616

(11) Commitments and Contingencies

At the time we acquire or divest of our interest in an equipment lease or other financing transaction, we may, under very limited circumstances, agree to indemnify the seller or buyer for specific contingent liabilities. Our Managing Trustee believes that any liability of ours that may arise as a result of any such indemnification obligations may or may not have a material adverse effect on our consolidated financial condition or results of operations as a whole. In addition, at times we may seek to enforce our rights under a personal guaranty in order to collect amounts from the guarantor that are owed to us by a defaulting borrower or lessee. Gain contingencies may arise from enforcement of such guaranty, but are not recognized until realizable. We are currently seeking to recover a judgment issued in our favor against a guarantor covering amounts owed to us related to a lease with MWU Universal, Inc. and certain of its subsidiaries (collectively, "MWU").

In connection with certain debt obligations, we are required to maintain restricted cash accounts with certain banks. At September 30, 2017, we had restricted cash of $3,342,613.

(12) Subsequent Event

On October 3, 2017, Murray Energy Corporation and certain of its affiliates (collectively, "Murray") purchased equipment from a joint venture owned 55.817% by us pursuant to the terms of the lease for $1,949,583. As a result, a gain on sale of assets of $201,680 was recognized by the joint venture. Pursuant to a remarketing agreement with a third party, the joint venture paid a remarketing fee of $100,841 as part of the transaction.

Item 2. Managing Trustee's Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of our current financial position and results of operations. This discussion should be read together with our unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2016. This discussion should also be read in conjunction with the disclosures below regarding “Forward-Looking Statements.”

As used in this Quarterly Report on Form 10-Q, references to “we,” “us,” “our” or similar terms include ICON Leasing Fund Twelve Liquidating Trust and its consolidated subsidiaries.

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the “safe harbor” provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as “may,” “would,” “could,” “anticipate,” “believe,” “estimate,” “expect,” “continue,” “further,” “plan,” “seek,” “intend,” “predict” or “project” and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events. They are based on assumptions and are subject to risks and uncertainties and other factors outside of our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

We operated as an equipment leasing and finance program in which the capital our beneficial owners invested was pooled together to make investments, pay fees and establish a small reserve. We primarily acquired equipment subject to lease, purchased equipment and leased it to third-party end users or financed equipment for third parties and, to a lesser degree, acquired ownership rights to items of leased equipment at lease expiration. Some of our equipment leases were acquired for cash and were expected to provide current cash flow, which we refer to as “income” leases. For our other equipment leases, we financed the majority of the purchase price through borrowings from third parties. We refer to these leases as “growth” leases. These growth leases generated little or no current cash flow because substantially all of the rental payments we received from the lessee were used to service the indebtedness associated with acquiring or financing the lease. For these leases, we anticipated that the future value of the leased equipment would exceed our cash portion of the purchase price.

Our Managing Trustee manages and controls our business affairs, including, but not limited to, our equipment leases and other financing transactions, under the terms of our Trust Agreement.

Our offering period ended on April 30, 2009 and our operating period commenced on May 1, 2009. During our offering period, we raised total equity of $347,686,947. Our operating period ended on April 30, 2014 and our liquidation period commenced on May 1, 2014. During our liquidation period, we have sold and will continue to sell our assets and/or let our investments mature in the ordinary course of business.

On May 30, 2017, our Managing Trustee retained ABN AMRO as its financial advisor to assist our Managing Trustee and us in identifying, evaluating and executing a potential sale of certain shipping and offshore energy assets currently included within our investment portfolio. We, however, cannot assure that the identification or evaluation to be performed will result in any specific sale transaction or series of transactions.

The Liquidating Trust is governed by the Trust Agreement that appointed our Manager as Managing Trustee of the Liquidating Trust. On December 31, 2016, all assets and liabilities of the LLC were transferred to the Liquidating Trust in order to reduce expenses and to maximize potential distributions to beneficial owners of the Liquidating Trust. On December 31, 2016, all Shares were exchanged for an equal number of Interests in the Liquidating Trust.

The financial position and results of operations of the LLC are presented as those of the Liquidating Trust retroactively to the beginning of the earliest period presented.

Recent Significant Transactions

We engaged in the following significant transactions since December 31, 2016:

Marine Vessels

During 2016, Swiber Offshore and Swiber Holdings defaulted on their respective obligations under the charter and the guaranty, respectively. The charter with Swiber Offshore expired on March 23, 2017. Pursuant to the purchase and charter agreement, upon expiration of the charter, the joint venture's obligation to pay to Swiber principal and interest outstanding under the payable of $5,131,250 was extinguished as a result of the continuing defaults under the transaction documents by the Swiber Group. The gain on extinguishment of the seller's credit and the related interest payable of $5,131,250 was allocated entirely to us during the three months ended March 31, 2017 due to our Preferred Equity Interest. Based on a negotiated purchase price, we further wrote down the barge by $900,000 during the three months ended March 31, 2017 to its estimated fair value less cost to sell. Subsequently, this proposed sale transaction fell through. We resumed marketing the Swiber Chateau for sale and were in negotiations with another potential purchaser. Based on such negotiations, our Managing Trustee determined to record an additional impairment loss of $1,700,000 during the three months ended June 30, 2017. Subsequently, this proposed sale transaction also fell through. Since then, our Managing Trustee resumed marketing the Swiber Chateau for sale and has entered into a memorandum of agreement to sell the barge. As a result, we recorded an additional impairment loss of $2,024,000 during the 2017 Quarter based on the estimated fair value less cost to sell.

On June 12, 2014, a joint venture owned 75% by us, 12.5% by Fund Fourteen and 12.5% by Fund Fifteen, purchased an offshore supply vessel from Pacific Crest for $40,000,000. Simultaneously, the vessel was bareboat chartered to Pacific Crest for ten years. The vessel was acquired for approximately $12,000,000 in cash, $26,000,000 of financing through a senior secured loan from DVB and $2,000,000 of financing through a subordinated, non-interest-bearing seller's credit. Since July 2017, Pacific Crest has failed to make its monthly charter payments and our Managing Trustee was advised in July 2017 that Pacific Crest is engaged in discussions with its lenders regarding a potential restructuring of its outstanding debt obligations. As a result, we performed an impairment test on the vessel. Based on such test, we recorded an impairment loss of $14,661,525 during the three months ended June 30, 2017. During the 2017 Quarter, we ceased recognizing rental income on the lease.

Mining Equipment

On July 21, 2017, Blackhawk satisfied its remaining lease obligations by making a prepayment of $7,753,666. As a result, we recognized finance income of $353,373. We used a portion of the proceeds from the prepayment to satisfy our remaining non-recourse long-term debt obligations to People's Capital of $1,204,661.

Notes Receivable

As of December 31, 2016, our net investment in note receivable and accrued interest related to TMA totaled $21,002,939 and $5,720,333, respectively. Based on, among other things, TMA's payment history and estimated collateral value as of December 31, 2016, our Managing Trustee believed that it was likely that all outstanding principal and accrued interest under the ICON Loan would be collectible and as a result, we continued to account for our net investment in note receivable related to TMA on an accrual basis as of December 31, 2016 despite a portion of the outstanding balance being over 90 days past due. Our Managing Trustee continues to assess the collectability of the note receivable at each reporting date. During the three months ended June 30, 2017, our Managing Trustee believed it was prudent to place the note receivable on non-accrual status. In September 2017, our Managing Trustee met with certain restructuring advisors engaged by TMA to discuss a potential restructuring of the company. In light of these developments and a decrease in the fair market value of the collateral, in which we have a second priority security interest, our Managing Trustee determined to record a credit loss of $10,500,000 during the three months ended September 30, 2017. As of September 30, 2017, our net investment in note receivable related to TMA was $16,890,944. In addition, we have an accrued interest receivable related to TMA of $6,388,005, which has been fully reserved, resulting in a net carrying value of $0.

Subsequent Event

On October 3, 2017, Murray purchased equipment from a joint venture owned 55.817% by us pursuant to the terms of the lease for $1,949,583. As a result, a gain on sale of assets of $201,680 was recognized by the joint venture. Pursuant to a remarketing agreement with a third party, the joint venture paid a remarketing fee of $100,841 as part of the transaction.

Recently Adopted Accounting Pronouncements

In March 2016, FASB issued ASU 2016-07, *Investments – Equity Method and Joint Ventures: Simplifying the Transition to the Equity Method of Accounting*, which we adopted on January 1, 2017. The adoption of ASU 2016-07 did not have an effect on our consolidated financial statements.

In October 2016, FASB issued ASU 2016-17, *Consolidation*, which we adopted on January 1, 2017. The adoption of ASU 2016-17 did not have an effect on our consolidated financial statements.

Other Recent Accounting Pronouncements

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers.* In August 2015, FASB issued ASU 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date*, which defers implementation of ASU 2014-09 by one year. ASU 2014-09 will become effective for us on January 1, 2018. Our evaluation of the impact of the adoption of ASU 2014-09 on our consolidated financial statements is ongoing and our implementation efforts have included the identification of revenue within the scope of the guidance and the evaluation of applicable revenue contracts. We continue to evaluate the timing of recognition of various revenue; however, since a substantial portion of our revenue is recognized from our leasing contracts, which is subject to ASU 2016-02, such revenue is excluded from our evaluation of ASU 2014-09.

In January 2016, FASB issued ASU 2016-01, *Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*, which will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2016-01 on our consolidated financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*, which will become effective for us on January 1, 2019. Based on our preliminary assessment, most, if not all, of our leases are subject to lessor accounting and the accounting applied by a lessor is largely unchanged from that applied under current U.S. GAAP. We continue to evaluate the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses,* which will become effective for us on January 1, 2020. We are currently in the process of evaluating the impact of the adoption of ASU 2016-13 on our consolidated financial statements.

In August 2016, FASB issued ASU 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments,* which will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2016-15 on our consolidated financial statements.

In November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows*, which will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2016-18 on our consolidated financial statements.

In January 2017, FASB issued ASU 2017-01, *Business Combinations*, which will become effective for us on January 1, 2018. We are currently in the process of evaluating the impact of the adoption of ASU 2017-01 on our consolidated financial statements.

We do not believe any other recently issued, but not yet effective, accounting pronouncements, if currently adopted, would have a material effect on our consolidated financial statements.

Results of Operations for the Three Months Ended September 30, 2017 (the "2017 Quarter") and 2016 (the "2016 Quarter")

The following percentages are only as of a stated period and are not expected to be comparable in future periods. Further, these percentages are only representative of the percentage of the carrying value of such assets, finance income or rental income as of each stated period, and as such are not indicative of the concentration of any asset type or customer by the amount of equity invested or our investment portfolio as a whole.

[Table of Contents](#)

Financing Transactions

The following tables set forth the types of assets securing the financing transactions in our portfolio:

Asset Type	September 30, 2017		December 31, 2016	
	Net Carrying Value	Percentage of Total Net Carrying Value	Net Carrying Value	Percentage of Total Net Carrying Value
Tanker vessels	$ 34,538,774	67%	$ 35,597,469	53%
Platform supply vessels	16,890,944	33%	21,002,939	31%
Mining equipment	—	—	10,273,851	16%
	$ 51,429,718	100%	$ 66,874,259	100%

The net carrying value of our financing transactions includes the balance of our net investment in notes receivable and our net investment in finance leases as of each reporting date.

During the 2017 Quarter and the 2016 Quarter, certain customers generated significant portions (defined as 10% or more) of our total finance income as follows:

Customer	Asset Type	Percentage of Total Finance Income	
		2017 Quarter	2016 Quarter
Foreguard Shipping I Global Ships Ltd.	Tanker vessels	63%	29%
Blackhawk Mining, LLC	Mining equipment	37%	16%
Técnicas Maritimas Avanzadas, S.A. de C.V.	Platform supply vessels	—	29%
Premier Trailer Leasing, Inc.	Trailers	—	18%
		100%	92%

Interest income and prepayment fees from our net investment in notes receivable and finance income from our net investment in finance leases are included in finance income in our consolidated statements of operations.

Non-performing Assets within Financing Transactions

As of December 31, 2016, our net investment in note receivable and accrued interest related to TMA totaled $21,002,939 and $5,720,333, respectively. Based on, among other things, TMA's payment history and estimated collateral value as of December 31, 2016, our Managing Trustee believed that it was likely that all outstanding principal and accrued interest under the ICON Loan would be collectible and as a result, we continued to account for our net investment in note receivable related to TMA on an accrual basis as of December 31, 2016 despite a portion of the outstanding balance being over 90 days past due. Our Managing Trustee continues to assess the collectability of the note receivable at each reporting date. During the three months ended June 30, 2017, our Managing Trustee believed it was prudent to place the note receivable on non-accrual status. In September 2017, our Managing Trustee met with certain restructuring advisors engaged by TMA to discuss a potential restructuring of the company. In light of these developments and a decrease in the fair market value of the collateral, in which we have a second priority security interest, we recorded a credit loss of $10,500,000 during the 2017 Quarter. As of September 30, 2017, our net investment in note receivable related to TMA was $16,890,944. In addition, we have an accrued interest receivable related to TMA of $6,388,005, which has been fully reserved, resulting in a net carrying value of $0. For the 2017 Quarter and the 2016 Quarter, we recognized finance income of $0 and $730,624, respectively, of which no amount was recognized on a cash basis.

Operating Lease Transactions

The following tables set forth the types of equipment subject to operating leases and charters in our portfolio:

Asset Type	September 30, 2017		December 31, 2016	
	Net Carrying Value	Percentage of Total Net Carrying Value	Net Carrying Value	Percentage of Total Net Carrying Value
Offshore oil field services equipment	$ 20,792,734	92%	$ 41,518,994	93%
Mining equipment	1,739,919	8%	3,042,302	7%
	$ 22,532,653	100%	$ 44,561,296	100%

The net carrying value of our operating lease transactions represents the balance of our leased equipment at cost and asset held for sale as of each reporting date.

During the 2017 Quarter and the 2016 Quarter, certain customers generated significant portions (defined as 10% or more) of our total rental income as follows:

		Percentage of Total Rental Income	
Customer	Asset Type	2017 Quarter	2016 Quarter
Murray Energy Corporation	Mining equipment	80%	32%
Pacific Crest Pte. Ltd.	Offshore oil field services equipment	20%	68%
		100%	100%

Impaired Leased Assets within Operating Lease Transactions

Swiber Offshore failed to make its monthly charter payments to the joint venture from July 2016 through the expiration of the charter in March 2017. On July 29, 2016, Swiber Holdings submitted an application for court-supervised judicial management in Singapore. On November 28, 2016, Swiber Offshore filed an application for voluntary winding up and liquidation in Singapore. During 2017, we repossessed the Swiber Chateau. As a result of (i) Swiber Offshore's and Swiber Holdings' default on their respective obligations under the charter and the guaranty, respectively, (ii) Swiber Offshore and Swiber Holdings being subject to voluntary winding up and judicial management proceedings, respectively, (iii) a decrease in the fair market value of the Swiber Chateau and (iv) the barge being classified as asset held for sale since December 31, 2016, our Managing Trustee assessed for impairment and recorded additional impairment losses on a quarterly basis since the three months ended June 30, 2016. During the 2016 Quarter, our Managing Trustee recorded an additional impairment loss of $3,105,000 based on a third-party appraised fair market value. Such additional impairment loss was allocated entirely to Swiber due to our Preferred Equity Interest. During the 2017 Quarter, our Managing Trustee resumed marketing the Swiber Chateau for sale and has entered into a memorandum of agreement to sell the barge. As a result, we recorded an additional impairment loss of $2,024,000 during the 2017 Quarter based on the estimated fair value less cost to sell. Such additional impairment loss was allocated entirely to us as the balance of the noncontrolling interest in the joint venture had been reduced to zero. Our Managing Trustee has recorded an aggregate impairment loss of $20,117,643 related to the Swiber Chateau, of which an aggregate of $8,706,972 was allocated to Swiber due to our Preferred Equity Interest. During the 2017 Quarter and the 2016 Quarter, we did not recognize any rental income related to the Swiber Chateau.

Since July 2017, Pacific Crest has failed to make its monthly charter payments and our Managing Trustee was advised in July 2017 that Pacific Crest is engaged in discussions with its lenders regarding a potential restructuring of its outstanding debt obligations. As a result, we performed an impairment test on the vessel during the three months ended June 30, 2017. Based on such test, we recorded an impairment loss of $14,661,525 during the three months ended June 30, 2017. As of September 30, 2017 and December 31, 2016, the net carrying value of the vessel was $17,816,734 and $33,918,994, respectively. During the 2017 Quarter, we ceased recognizing rental income on the lease. During the 2017 Quarter and the 2016 Quarter, we recognized rental income of $137,958 and $1,164,394, respectively. The rental income recognized during the 2017 Quarter was related to the recognition of previously recorded deferred revenue.

Revenue and other income for the 2017 Quarter and the 2016 Quarter is summarized as follows:

	Three Months Ended September 30,		
	2017	2016	Change
Finance income	$ 1,127,024	$ 2,416,693	$ (1,289,669)
Rental income	679,472	1,705,906	(1,026,434)
Time charter revenue	—	927,186	(927,186)
Loss from investment in joint ventures	—	(4,173)	4,173
Gain on sale of vessels	—	303,943	(303,943)
Other income	—	117,288	(117,288)
Total revenue and other income	$ 1,806,496	$ 5,466,843	$ (3,660,347)

Total revenue and other income for the 2017 Quarter decreased $3,660,347, or 67.0%, as compared to the 2016 Quarter. The decrease was primarily due to decreases in (i) finance income primarily due to our note receivable related to TMA being placed on non-accrual status commencing in April 2017 and prepayments on two notes receivable during and subsequent to the 2016 Quarter, (ii) rental income due to no income recognition related to Pacific Crest as collectability of remaining charter payments has been in doubt since July 2017, (iii) time charter revenue due to the sale of the Aegean

Express and the Cebu Trader in September 2016 and (iv) the gain on sale of vessels recorded as a result of the sale of the Aegean Express and the Cebu Trader during the 2016 Quarter.

Expenses for the 2017 Quarter and the 2016 Quarter are summarized as follows:

	Three Months Ended September 30,		
	2017	2016	Change
Management fees	$ 44,029	$ 117,369	$ (73,340)
Administrative expense reimbursements	210,785	225,055	(14,270)
General and administrative	346,235	521,069	(174,834)
Interest	687,826	792,256	(104,430)
Depreciation	617,394	1,063,132	(445,738)
Vessel operating	143,735	1,384,102	(1,240,367)
Credit loss	10,500,000	—	10,500,000
Impairment loss	2,024,000	3,105,000	(1,081,000)
Total expenses	$ 14,574,004	$ 7,207,983	$ 7,366,021

Total expenses for the 2017 Quarter increased $7,366,021, or 102.2%, as compared to the 2016 Quarter. The increase was due to the credit loss of $10,500,000 recorded during the 2017 Quarter related to TMA with no comparable credit loss recorded during the 2016 Quarter. This increase was partially offset by decreases in (i) vessel operating expenses due to lower expenses incurred during the 2017 Quarter associated with the Swiber Chateau as compared to higher expenses incurred during the 2016 Quarter associated with the Aegean Express and the Cebu Trader, (ii) impairment loss recorded during the 2017 Quarter related to the Swiber Chateau, (iii) depreciation due to the lower depreciable base related to Pacific Crest subsequent to the impairment loss recorded during the three months ended June 30, 2017 and (iv) general and administrative expense due to lower professional fees incurred as part of our management's cost savings effort and the reimbursement of insurance premiums from a lessee, partially offset by the remarketing fee related to Murray that we recorded in the 2017 Quarter.

Net Income (Loss) Attributable to Noncontrolling Interests

Net income (loss) attributable to noncontrolling interests changed by $2,982,138, from a net loss of $2,821,929 in the 2016 Quarter to net income of $160,209 in the 2017 Quarter. The change was primarily due to the allocation of the entire impairment loss associated with the Swiber Chateau to the noncontrolling interest holder during the 2016 Quarter with no such allocation of impairment loss during the 2017 Quarter.

Net (Loss) Income Attributable to Fund Twelve Liquidating Trust

As a result of the foregoing factors, net (loss) income attributable to us for the 2017 Quarter and the 2016 Quarter was $(12,927,717) and $1,080,789, respectively. Net (loss) income attributable to us per weighted average additional Interest outstanding for the 2017 Quarter and the 2016 Quarter was $(36.74) and $3.07, respectively.

Results of Operations for the Nine Months Ended September 30, 2017 (the “2017 Period”) and 2016 (the “2016 Period”)

The following percentages are only as of a stated period and are not expected to be comparable in future periods. Further, these percentages are only representative of the percentage of finance income or rental income as of each stated period, and as such are not indicative of the concentration of any asset type or customer by the amount of equity invested or our investment portfolio as a whole.

Financing Transactions

During the 2017 Period and the 2016 Period, certain customers generated significant portions (defined as 10% or more) of our total finance income as follows:

Customer	Asset Type	Percentage of Total Finance Income	
		2017 Period	2016 Period
Foreguard Shipping I Global Ships Ltd.	Tanker vessels	55%	26%
Blackhawk Mining, LLC	Mining equipment	28%	16%
Técnicas Maritimas Avanzadas, S.A. de C.V.	Platform supply vessels	17%	26%
D&T Holdings, LLC	Transportation	—	17%
Premier Trailer Leasing, Inc.	Trailers	—	11%
		100%	96%

Interest income and prepayment fees from our net investment in notes receivable and finance income from our net investment in finance leases are included in finance income in our consolidated statements of operations.

Non-performing Assets within Financing Transactions

As of December 31, 2016, our net investment in note receivable and accrued interest related to TMA totaled $21,002,939 and $5,720,333, respectively. Based on, among other things, TMA's payment history and estimated collateral value as of December 31, 2016, our Managing Trustee believed that it was likely that all outstanding principal and accrued interest under the ICON Loan would be collectible and as a result, we continued to account for our net investment in note receivable related to TMA on an accrual basis as of December 31, 2016 despite a portion of the outstanding balance being over 90 days past due. Our Managing Trustee continues to assess the collectability of the note receivable at each reporting date. During the three months ended June 30, 2017, our Managing Trustee believed it was prudent to place the note receivable on non-accrual status. In September 2017, our Managing Trustee met with certain restructuring advisors engaged by TMA to discuss a potential restructuring of the company. In light of these developments and a decrease in the fair market value of the collateral, in which we have a second priority security interest, we recorded a credit loss of $10,500,000 during the 2017 Period. As of September 30, 2017, our net investment in note receivable related to TMA was $16,890,944. In addition, we have an accrued interest receivable related to TMA of $6,388,005, which has been fully reserved, resulting in a net carrying value of $0. For the 2017 Period and the 2016 Period, we recognized finance income of $667,672 and $2,246,664, respectively, of which no amount was recognized on a cash basis.

Operating Lease Transactions

During the 2017 Period and the 2016 Period, certain customers generated significant portions (defined as 10% or more) of our total rental income as follows:

Customer	Asset Type	Percentage of Total Rental Income	
		2017 Period	2016 Period
Pacific Crest Pte. Ltd.	Offshore oil field services equipment	60%	40%
Murray Energy Corporation	Mining equipment	40%	18%
Swiber Holdings Limited	Offshore oil field services equipment	—	42%
		100%	100%

Impaired Leased Assets within Operating Lease Transactions

Swiber Offshore failed to make its monthly charter payments to the joint venture from July 2016 through the expiration of the charter in March 2017. On July 29, 2016, Swiber Holdings submitted an application for court-supervised judicial management in Singapore. On November 28, 2016, Swiber Offshore filed an application for voluntary winding up and liquidation in Singapore. During 2017, we repossessed the Swiber Chateau. As a result of (i) Swiber Offshore's and Swiber Holdings' default on their respective obligations under the charter and the guaranty, respectively, (ii) Swiber Offshore and Swiber Holdings being subject to voluntary winding up and judicial management proceedings, respectively, (iii) a decrease in the fair market value of the Swiber Chateau and (iv) the barge being classified as asset held for sale since December 31, 2016, our Managing Trustee assessed for impairment and recorded additional impairment losses on a quarterly basis since the three months ended June 30, 2016. During the 2016 Period, our Managing Trustee recorded an impairment loss of $8,323,643 based on third-party appraised fair market values. Such impairment loss was allocated entirely to Swiber due to our Preferred Equity Interest. During the 2017 Period, our Managing Trustee recorded an additional impairment loss of $4,624,000 based on negotiated purchase prices with potential third-party purchasers, including the proposed purchase price set forth in the memorandum of agreement that we entered into in November 2017 to sell the barge. Such additional impairment loss was allocated entirely to us as the balance of the noncontrolling interest in the joint venture had been reduced to zero. Our Managing Trustee has recorded an aggregate impairment loss related to the Swiber Chateau of $20,117,643, of which an aggregate of $8,706,972 was allocated to Swiber due to our Preferred Equity Interest. During the 2017 Period and the 2016 Period, we recognized rental income of $0 and $3,652,500, respectively.

Since July 2017, Pacific Crest has failed to make its monthly charter payments and our Managing Trustee was advised in July 2017 that Pacific Crest is engaged in discussions with its lenders regarding a potential restructuring of its outstanding debt obligations. As a result, we performed an impairment test on the vessel during the three months ended June 30, 2017. Based on such test, we recorded an impairment loss of $14,661,525 during the three months ended June 30, 2017. During the 2017 Quarter, we ceased recognizing rental income on the lease. During the 2017 Period and the 2016 Period, we recognized rental income of $2,466,746 and $3,493,181, respectively. The rental income recognized during the 2017 Quarter was related to the recognition of previously recorded deferred revenue.

Revenue and other income for the 2017 Period and the 2016 Period is summarized as follows:

	Nine Months Ended September 30,		
	2017	2016	Change
Finance income	$ 3,901,482	$ 8,531,589	$ (4,630,107)
Rental income	4,091,287	8,770,221	(4,678,934)
Time charter revenue	—	2,960,443	(2,960,443)
Loss from investment in joint ventures	(6,071)	(1,922,968)	1,916,897
Gain on sale of investment in joint venture	—	2,012,669	(2,012,669)
Gain on sale of vessels	—	303,943	(303,943)
Gain on extinguishment of seller's credit and interest payable	5,131,250	—	5,131,250
Other income	—	117,288	(117,288)
Total revenue and other income	$ 13,117,948	$ 20,773,185	$ (7,655,237)

Total revenue and other income for the 2017 Period decreased $7,655,237, or 36.9%, as compared to the 2016 Period. The decrease was primarily due to decreases in (i) rental income due to no income recognition related to the Swiber Chateau and Pacific Crest as collectability of remaining charter payments has been in doubt since July 2016 and July 2017, respectively, (ii) finance income primarily due to our note receivable related to TMA being placed on non-accrual status commencing in April 2017 and prepayments on a finance lease and two notes receivable during and subsequent to the 2016 Period, (iii) time charter revenue due to the sale of the Aegean Express and the Cebu Trader in September 2016 and (iv) gain on sale of investment in joint venture as a result of the sale of our interests in ICON AET during the 2016 Period. The decrease was partially offset by an increase in gain on extinguishment of seller's credit and interest payable associated with the Swiber Chateau in the 2017 Period with no comparable gain recorded in the 2016 Period, and a decrease in loss from investment in joint ventures primarily due to no credit losses recorded by our joint ventures related to JAC during the 2017 Period as compared to the 2016 Period.

Expenses for the 2017 Period and the 2016 Period are summarized as follows:

	Nine Months Ended September 30,		
	2017	2016	Change
Management fees	$ 192,112	$ 809,578	$ (617,466)
Administrative expense reimbursements	660,757	843,590	(182,833)
General and administrative	1,188,799	1,864,053	(675,254)
Interest	2,172,196	2,516,884	(344,688)
Depreciation	2,743,118	4,803,018	(2,059,900)
Vessel operating	348,311	3,248,348	(2,900,037)
Credit loss	10,500,000	—	10,500,000
Impairment loss	19,285,525	8,323,643	10,961,882
Litigation settlement expense	—	1,209,000	(1,209,000)
Total expenses	$ 37,090,818	$ 23,618,114	$ 13,472,704

Total expenses for the 2017 Period increased $13,472,704, or 57.0%, as compared to the 2016 Period. The increase was primarily due to the (i) impairment loss of $14,661,525 recorded during the 2017 Period related to the vessel on charter to Pacific Crest with no comparable impairment loss recorded during the 2016 Period, partially offset by a decrease in the impairment loss recorded during the 2017 Period related to the Swiber Chateau and (ii) credit loss of $10,500,000 recorded during the 2017 Period related to TMA with no comparable credit loss recorded during the 2016 Period. This increase was partially offset by (i) lower vessel operating expenses incurred during the 2017 Period associated with the Swiber Chateau as compared to higher expenses incurred during the 2016 Period associated with the Aegean Express and the Cebu Trader, (ii) lower depreciation recorded related to the Swiber Chateau, the Aegean Express and the Cebu Trader as such vessels were either no longer in operation or sold in 2016 resulting in no further depreciation being recorded on such vessels during the 2017 Period and a lower depreciable base related to Pacific Crest subsequent to the impairment loss recorded during the three months ended June 30, 2017, (iii) the litigation settlement expense related to ICON EAR, LLC ("EAR") that was recorded in the 2016 Period with no comparable expense recorded in the 2017 Period, (iv) a decrease in general and administrative expense primarily due to lower professional fees incurred as part of our management's cost savings effort, lower legal fees as a result of the settlement of the EAR litigation matter in July 2016 and the reimbursement of insurance premiums from a lessee during the 2017 Period, partially offset by the remarketing fee related to Murray that we recorded in the 2017 Period and (v) a decrease in management fees primarily due to the sale or prepayment of certain investments during 2016.

Net Loss Attributable to Noncontrolling Interests

Net loss attributable to noncontrolling interests decreased $2,759,893, from $5,656,386 in the 2016 Period to $2,896,493 in the 2017 Period. The decrease was primarily due to the allocation of the entire impairment loss associated with the Swiber Chateau to the noncontrolling interest holder during the 2016 Period with no such allocation of impairment loss during the 2017 Period. The decrease was partially offset by the allocation of the impairment loss associated with the vessel on charter to Pacific Crest during the 2017 Period with no comparable allocation of impairment loss during the 2016 Period.

Net (Loss) Income Attributable to Fund Twelve Liquidating Trust

As a result of the foregoing factors, net (loss) income attributable to us for the 2017 Period and the 2016 Period was $(21,076,377) and $2,811,457, respectively. Net (loss) income attributable to us per weighted average additional Interest outstanding for the 2017 Period and the 2016 Period was $(59.90) and $7.99, respectively.

Financial Condition

This section discusses the major balance sheet variances at September 30, 2017 compared to December 31, 2016.

Total Assets

Total assets decreased $45,062,800, from $131,086,803 at December 31, 2016 to $86,024,003 at September 30, 2017. The decrease was primarily due to the (i) impairment and credit losses recorded during the 2017 Period, (ii) depreciation recorded during the 2017 Period, (iii) use of cash to pay distributions to our beneficial owners and noncontrolling interests and (iv) use of cash to repay a portion of our non-recourse long-term debt. These decreases were partially offset by revenue generated from certain of our investments during the 2017 Period.

Current Assets

Current assets decreased $14,659,255, from $29,451,667 at December 31, 2016 to $14,792,412 at September 30, 2017. The decrease was primarily a result of the (i) $10,500,000 credit loss recorded during the 2017 Period against the accrued interest receivable and the current portion of the net investment in notes receivable related to TMA and (ii) the use of existing cash and cash generated from our investments during the 2017 Period to pay distributions to our beneficial owners and noncontrolling interests and to repay a portion of our non-recourse long-term debt.

Total Liabilities

Total liabilities decreased $11,857,582, from $56,206,142 at December 31, 2016 to $44,348,560 at September 30, 2017. The decrease was primarily due to the (i) repayment of a portion of our non-recourse long-term debt during the 2017 Period and (ii) extinguishment of the seller's credit and the related interest payable due from our consolidated joint venture to Swiber during the 2017 Period as a result of continuing defaults by the Swiber Group.

Current Liabilities

Current liabilities decreased $8,428,989, from $29,187,558 at December 31, 2016 to $20,758,569 at September 30, 2017. The decrease was primarily due to the (i) extinguishment of the seller's credit and the related interest payable due from our consolidated joint venture to Swiber during the 2017 Period as a result of continuing defaults by the Swiber Group, (ii) prepayment of our non-recourse long-term debt to People's Capital as a result of the prepayment by Blackhawk and (iii) payment of certain accrued liabilities during the 2017 Period.

Equity

Equity decreased $33,205,218, from $74,880,661 at December 31, 2016 to $41,675,443 at September 30, 2017. The decrease was primarily due to our net loss during the 2017 Period and distributions paid to our beneficial owners and noncontrolling interests.

Liquidity and Capital Resources

Summary

At September 30, 2017 and December 31, 2016, we had cash and cash equivalents of $8,695,593 and $10,255,053, respectively. Pursuant to the terms of our offering, we established a cash reserve in the amount of 0.5% of the gross offering proceeds. As of September 30, 2017, the cash reserve was $1,738,435 and is included in our balance as of September 30, 2017. During our liquidation period, which commenced on May 1, 2014, we expect our main sources of cash will be from the collection of income and principal on our notes receivable and finance leases, rental receipts generated from our operating leases and proceeds from the sale of assets held directly by us or indirectly by our joint ventures and our main use of cash will be for distributions to our beneficial owners and noncontrolling interests. Our liquidity will vary in the future, increasing to the extent cash flows from investments and proceeds from the sale of our investments exceed expenses and decreasing as we meet our debt obligations, pay distributions to our beneficial owners and noncontrolling interests and to the extent that expenses exceed cash flows from operations and proceeds from the sale of our investments.

We anticipate being able to meet our liquidity requirements into the foreseeable future through the expected results of our operating activities, as well as cash received from our investments at maturity. However, our equipment financing business has encountered significant challenges over the past several years. Specifically, we continue to suffer from an unprecedented and prolonged weakness in global shipping and offshore markets. Our ability to generate cash in the future is subject to general economic, financial, competitive, regulatory and other factors that affect us and our lessees' and borrowers' businesses that are beyond our control.

Cash Flows

Operating Activities

Cash provided by operating activities decreased $1,651,014, from $16,018,415 in the 2016 Period to $14,367,401 in the 2017 Period. The decrease was primarily due to a decrease in the collection of finance leases, rental income and finance income due to the decrease in the number of investments in our investment portfolio during our liquidation period.

Investing Activities

Cash flows from investing activities changed by $28,169,617, from a source of cash of $28,163,546 in the 2016 Period to a use of cash of $6,071 in the 2017 Period. The change was primarily due to proceeds received from (i) the sale of our interests in ICON AET, (ii) the prepayment of a note receivable and (iii) the sale of the Aegean Express and the Cebu Trader, each during the 2016 Period with no comparable proceeds received in the 2017 Period.

Financing Activities

Cash used in financing activities decreased $18,854,620, from $34,775,410 in the 2016 Period to $15,920,790 in the 2017 Period. The decrease was primarily due to a decrease in distributions to our beneficial owners and noncontrolling interests during the 2017 Period as compared to the 2016 Period, partially offset by an increase in the repayment of our non-recourse long-term debt during the 2017 Period as compared to the 2016 Period.

Financings and Borrowings

Non-Recourse Long-Term Debt

We had non-recourse long-term debt obligations at September 30, 2017 and December 31, 2016 of $34,772,684 and $41,361,582, respectively. All of our non-recourse long-term debt obligations consist of notes payable in which the lender has a security interest in the underlying assets. If the lessee was to default on the underlying lease, resulting in our default on the non-recourse long-term debt, the assets could be foreclosed upon and the proceeds would be remitted to the lender in extinguishment of that debt. As of September 30, 2017 and December 31, 2016, the total carrying value of assets subject to non-recourse long-term debt was $52,355,508 and $79,790,314, respectively.

On October 20, 2016, we were notified of an event of default on the senior debt associated with two tanker vessels currently on charter to an affiliate of Foreguard Shipping as a result of a change of control of the bareboat charter guarantor, an affiliate of Foreguard Shipping. The lender has reserved, but not exercised, its rights under the loan agreement. As a result of such default, we classified the entire outstanding balance of the debt of $16,815,000 and $18,465,000 to current liabilities as of September 30, 2017 and December 31, 2016, respectively.

On July 21, 2017, a portion of the proceeds from the prepayment made by Blackhawk was used to satisfy our remaining non-recourse long-term debt obligations to People's Capital of $1,204,661.

At September 30, 2017, we were in compliance with all covenants related to our non-recourse long-term debt, except as disclosed above.

Distributions

We, at our Managing Trustee's discretion, paid monthly distributions to each of our beneficial owners beginning with the first month after each such beneficial owner's admission to the LLC through the end of our operating period, which was April 30, 2014. Distributions paid during our liquidation period will vary, depending on the timing of the sale of our assets and/or the maturity of our investments, and our receipt of rental, finance and other income from our investments. We paid distributions of $50,507, $5,000,220 and $4,181,621 to our Managing Trustee, additional beneficial owners and noncontrolling interests, respectively, during the 2017 Period.

Commitments and Contingencies and Off-Balance Sheet Transactions

Commitments and Contingencies

At the time we acquire or divest of our interest in an equipment lease or other financing transaction, we may, under very limited circumstances, agree to indemnify the seller or buyer for specific contingent liabilities. Our Managing Trustee believes that any liability of ours that may arise as a result of any such indemnification obligation may or may not have a material adverse effect on our consolidated financial condition or results of operations taken as a whole. In addition, at times we may seek to enforce our rights under a personal guaranty in order to collect amounts from the guarantor that are owed to us by a defaulting borrower or lessee. Gain contingencies may arise from enforcement of such guaranty, but are not recognized until realizable. We are currently seeking to recover a judgment issued in our favor against a guarantor covering amounts owed to us related to a lease with MWU.

In connection with certain debt obligations, we are required to maintain restricted cash accounts with certain banks. At September 30, 2017, we had restricted cash of $3,342,613.

Off-Balance Sheet Transactions

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the three months ended September 30, 2017, our Managing Trustee carried out an evaluation, under the supervision and with the participation of the management of our Managing Trustee, including its Co-Chief Executive Officers and the Principal Financial and Accounting Officer, of the effectiveness of the design and operation of our Managing Trustee's disclosure controls and procedures as of the end of the period covered by this report pursuant to the Securities Exchange Act of 1934, as amended. Based on the foregoing evaluation, the Co-Chief Executive Officers and the Principal Financial and Accounting Officer concluded that our Managing Trustee's disclosure controls and procedures were effective.

In designing and evaluating our Managing Trustee's disclosure controls and procedures, our Managing Trustee recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our Managing Trustee's disclosure controls and procedures have been designed to meet reasonable assurance standards. Disclosure controls and procedures cannot detect or prevent all error and fraud. Some inherent limitations in disclosure controls and procedures include costs of implementation, faulty decision-making, simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all anticipated and unanticipated future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with established policies or procedures.

Evaluation of internal control over financial reporting

There have been no changes in our internal control over financial reporting during the three months ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of conducting our business, we may be subject to certain claims, suits, and complaints filed against us. In our Managing Trustee's opinion, the outcome of such matters, if any, will not have a material impact on our consolidated financial position or results of operations. We are not aware of any material legal proceedings that are currently pending against us or against any of our assets.

Item 1A. Risk Factors

Smaller reporting companies are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell or repurchase any Interests during the three months ended September 30, 2017.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

3.1	Certificate of Formation of Registrant (Incorporated by reference to Exhibit 3.1 to Registrant's Registration Statement on Form S-1 filed with the SEC on November 13, 2006 (File No. 333-138661)).
4.1	Limited Liability Company Agreement of Registrant (Incorporated by reference to Exhibit A to Registrant's Prospectus filed with the SEC on May 8, 2007 (File No. 333-138661)).
10.1	Commercial Loan Agreement, by and between California Bank & Trust and ICON Leasing Fund Twelve, LLC, dated as of May 10, 2011 (Incorporated by reference to Exhibit 10.7 to Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, filed May 16, 2011).
10.2	Loan Modification Agreement, dated as of March 31, 2013, by and between California Bank & Trust and ICON Leasing Fund Twelve, LLC (Incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2012, filed March 22, 2013).
10.3	Plan of Liquidation and Dissolution, dated as of December 31, 2016, by and between ICON Leasing Fund Twelve, LLC and ICON Capital, LLC (Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on January 5, 2017).
10.4	Liquidating Trust Agreement, dated as of December 23, 2016, by and among ICON Leasing Fund Twelve, LLC, ICON Capital, LLC and NRAI Services, LLC (Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on January 5, 2017).
31.1	Rule 13a-14(a)/15d-14(a) Certification of Co-Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Co-Chief Executive Officer.
31.3	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial and Accounting Officer.
32.1	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Co-Chief Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	Certification of Principal Financial and Accounting Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ICON Leasing Fund Twelve Liquidating Trust
(Registrant)

By: ICON Capital, LLC
(Managing Trustee of the Registrant)

November 14, 2017

By: /s/ Michael A. Reisner
Michael A. Reisner
Co-Chief Executive Officer and Co-President
(Co-Principal Executive Officer)

By: /s/ Mark Gatto
Mark Gatto
Co-Chief Executive Officer and Co-President
(Co-Principal Executive Officer)

By: /s/ Christine H. Yap
Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael A. Reisner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Liquidating Trust as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Liquidating Trust and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Liquidating Trust, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Liquidating Trust's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Liquidating Trust’s internal control over financial reporting that occurred during the Liquidating Trust’s most recent fiscal quarter (the Liquidating Trust’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Liquidating Trust’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Liquidating Trust's auditors and the board of directors of ICON Capital, LLC (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Liquidating Trust's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Liquidating Trust's internal control over financial reporting.

Date: November 14, 2017

/s/ Michael A. Reisner
Michael A. Reisner
Co-Chief Executive Officer and Co-President
ICON Capital, LLC

Exhibit 31.2

CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Gatto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Liquidating Trust as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Liquidating Trust and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Liquidating Trust, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Liquidating Trust's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Liquidating Trust’s internal control over financial reporting that occurred during the Liquidating Trust’s most recent fiscal quarter (the Liquidating Trust’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Liquidating Trust’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Liquidating Trust's auditors and the board of directors of ICON Capital, LLC (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Liquidating Trust's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Liquidating Trust's internal control over financial reporting.

Date: November 14, 2017

/s/ Mark Gatto
Mark Gatto
Co-Chief Executive Officer and Co-President
ICON Capital, LLC

Exhibit 31.3

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christine H. Yap, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Liquidating Trust as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Liquidating Trust and have:

   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Liquidating Trust, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. evaluated the effectiveness of the Liquidating Trust's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. disclosed in this report any change in the Liquidating Trust’s internal control over financial reporting that occurred during the Liquidating Trust’s most recent fiscal quarter (the Liquidating Trust’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Liquidating Trust’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Liquidating Trust's auditors and the board of directors of ICON Capital, LLC (or persons performing the equivalent functions):

   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Liquidating Trust's ability to record, process, summarize and report financial information; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Liquidating Trust's internal control over financial reporting.

Date: November 14, 2017

/s/ Christine H. Yap

Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)
ICON Capital, LLC

Exhibit 32.1

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael A. Reisner, Co-Chief Executive Officer and Co-President of ICON Capital, LLC, the Managing Trustee of the Registrant, in connection with the Quarterly Report of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Liquidating Trust.

Date: November 14, 2017

/s/ Michael A. Reisner
Michael A. Reisner
Co-Chief Executive Officer and Co-President
ICON Capital, LLC

Exhibit 32.2

**CERTIFICATION OF CO-CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Gatto, Co-Chief Executive Officer and Co-President of ICON Capital, LLC, the Managing Trustee of the Registrant, in connection with the Quarterly Report of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Liquidating Trust.

Date: November 14, 2017

/s/ Mark Gatto
Mark Gatto
Co-Chief Executive Officer and Co-President
ICON Capital, LLC

Exhibit 32.3

CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Christine H. Yap, Principal Financial and Accounting Officer of ICON Capital, LLC, the Managing Trustee of the Registrant, in connection with the Quarterly Report of ICON Leasing Fund Twelve Liquidating Trust (the "Liquidating Trust") on Form 10-Q for the quarter ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Liquidating Trust.

Date: November 14, 2017

/s/ Christine H. Yap
Christine H. Yap
Managing Director
(Principal Financial and Accounting Officer)
ICON Capital, LLC