



1401 H Street, NW, Washington, DC 20005-2148, USA
202/326-5800 www.ici.org

March 15, 2013

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1900 Duke Street, Suite 600
Alexandria, VA 22314

Re: Request for Comment on More Contemporaneous Trade Price Information through a New Central Transparency Platform (MSRB Notice 2013-02)

Dear Mr. Smith:

The Investment Company Institute¹ supports the Municipal Securities Rulemaking Board's continuing efforts to increase transparency in the municipal securities markets. The MSRB's concept proposal, which seeks input on the development of a new municipal trade reporting system,² is another step towards ensuring the accessibility and dissemination of important information to investors.

As part of its information-gathering process, the MSRB is requesting market input on potential improvements to the timeliness, fairness and efficiency of price transparency in the municipal securities market, including shortening the current requirement for dealers to report trades within 15 minutes. Comprehensive trade price information reported through the MSRB's existing Real-time Transaction Reporting System ("RTRS") is made available today to the public on the MSRB's Electronic Municipal Market Access (EMMA[®]) website. The MSRB plans to replace RTRS with a new platform with capabilities to evolve over time to provide a comprehensive, interactive, and real-time display of a suite of pricing-related market data. Requesting comment on the manner in which brokers, dealers, and municipal securities dealers (collectively, "dealers") would report trades is a first step in informing the MSRB about the design requirements of the central transparency platform.

¹ The Investment Company Institute is the national association of U.S. investment companies, including mutual funds, closed-end funds, exchange-traded funds (ETFs), and unit investment trusts (UITs). ICI seeks to encourage adherence to high ethical standards, promote public understanding, and otherwise advance the interests of funds, their shareholders, directors, and advisers. Members of ICI manage total assets of \$14.6 trillion and serve more than 90 million shareholders.

² See *Request for Comment on More Contemporaneous Trade Price Information through a New Central Transparency Platform*, MSRB Notice 2013-02 (January 17, 2013) ("Notice"), available at <http://msrb.org/Rules-and-Interpretations/Regulatory-Notices/2013/2013-02.aspx>.

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Currently, MSRB Rule G-14 requires dealers to report all transactions in municipal securities to RTRS within 15 minutes of the time of trade, with limited exceptions for certain transactions (as delineated in Rule G-14 and the Notice) in which dealers may instead report trades by the end of the day of trade execution. The MSRB seeks comment on, among other things, whether it should shorten the reporting timeframe generally and/or eliminate any of the end-of-day exceptions, or reduce the period of lag in reporting of trades currently subject to such exceptions, upon transitioning to a new reporting system.

We strongly support efforts by the MSRB to improve price transparency in the municipal securities market. To this end, we believe a review of the requirements under Rule G-14, including possibly shortening the current requirement for dealers to report trades within 15 minutes, as well as potentially eliminating the end-of-day reporting exceptions, is warranted as such lags and exceptions may no longer meet the evolving needs of today's municipal securities market. Meaningful steps to improve price transparency generally should improve the efficiency of the municipal market. Indeed, the availability of more timely and robust pricing information should facilitate the ability of investors to determine the best price and source for a security. This in turn should promote price competition among market participants, thereby reducing transaction costs and improving market efficiency.

* * * *

We look forward to working with the MSRB as it continues to examine these critical issues. In the meantime, if you have any questions, please feel free to contact me directly at (202) 218-3563 or Jane Heinrichs, Senior Associate Counsel, at (202) 371-5410.

Sincerely,

/s/ Dorothy Donohue

Dorothy Donohue
Deputy General Counsel—Securities Regulation

cc: Lynnette Kelly, Executive Director
Municipal Securities Rulemaking Board