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# **Specifications for Real-time Reporting of Municipal Securities Transactions**

**Red-line of Version 1.2.1**

Municipal Securities Rulemaking Board

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## SPECIFICATIONS FOR REAL-TIME REPORTING OF MUNICIPAL SECURITIES TRANSACTIONS

### PREFACE

Unchanged. See original document for text.

### 1. INTRODUCTION TO REAL-TIME TRADE REPORTING

Unchanged.

#### 1.1 Message-Based and Web-Based Data

Unchanged.

#### 1.2 Business Rules for Regulatory Reporting

Unchanged.

##### 1.2.1 Issues that Must be Reported

Unchanged.

##### 1.2.2 Deadlines for Reporting

As described in the Preface to this specification, trades in municipal securities will be required to be reported to RTRS within 15 minutes of the time of trade, with the following exceptions:

- Syndicate managers and syndicate members that effect trades in new issues at the List Offering Price may report such trades by the end of the first day of trading in the issue.
- On a temporary basis, a dealer may report trades within three hours of the time of trade if the CUSIP number and indicative data of the issue traded are not in the dealer's securities master file, the dealer has not traded the issue in the previous year, and the dealer is not a syndicate manager or syndicate member for the issue. This provision will cease to be effective on December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.
- Dealers may report trades in short-term instruments under nine months in effective maturity (including variable rate instruments, auction rate products, and commercial paper) by the end of the day in which the trades are effected.
- Dealers may report trades effected with special pricing conditions by the end of the day on trade date.

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- Inter-dealer secondary market transactions in variable rate securities in which the interest rate reset date occurs between trade date and the time of settlement are required to be reported by the end of the day on which the interest rate reset occurs.

Refer to section 4.3.2 for details on how to indicate to the MSRB that a trade is eligible for an exception to the 15-minute reporting requirement. Trade reports must be coded with an appropriate Special Condition Indicator to receive an exception to the 15-minute reporting requirement.

### 1.2.3 Trading Capacity

Unchanged.

### 1.3 New Procedures

Unchanged.

## 2. INTERACTIVE MESSAGE GUIDELINES

Unchanged.

## 3. COMMUNICATIONS OVERVIEW

Unchanged.

## 4. MESSAGE SPECIFICATIONS

Unchanged.

### 4.1 Message Format Guidelines

Unchanged.

### 4.2 MT515 Message

Unchanged.



### 4.3 Explanation of Selected Fields

#### 4.3.1 Dollar Price, Yield, Accrued Interest and Settlement Amount

Unchanged.

#### 4.3.2 Other Fields

##### Sender

Unchanged.

##### Header Fields: Other

Unchanged.

##### Trade Transaction Type Indicator

Unchanged.

##### Reference

Unchanged.

##### Processing Indicator

Unchanged.

##### Trade Instruction Processing Narrative

All sections unchanged except for the following, which is a complete revision to the current Specifications.

**SPXR – Special Condition Indicator.** This is a dual purpose code that is used to indicate: (a) that the trade is eligible for an extended reporting deadline (i.e., a reporting deadline other than the general 15-minute requirement), and / or (b) that the trade was done at a special price or that a bond was traded flat.

The Special Condition Indicator is formatted as Mcc0, where the first character is “M” (reserved for future use), the last character is “0” (reserved for future use), and the second and third characters “c” are integers that indicate the conditions above. See Appendix B.2 for all valid values of this code. If a trade has neither a deadline exception nor a special price, omit the Special Condition Indicator. (Business rules for reporting deadlines are described above, section 1.2.2.)

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### (A) Exceptions to the 15-Minute Reporting Deadline

Mc10: Not In Security Master / 3-Hour Deadline – This optional indicator may be used if the following three conditions apply: (1) the CUSIP number and indicative data of the issue traded are not in the securities master file used by the dealer to process trades for confirmations, clearance and settlement; (2) the dealer has not traded the issue in the previous year; and (3) the dealer is not a syndicate manager or syndicate member for the issue.

Note: This exception to the 15-minute reporting deadline will cease to be effective on December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.

Mc20: List Offering Price / End-of-Day Deadline – This optional indicator is available to syndicate managers, syndicate members and selling group members that effect trades in new issues on the first day of trading at the list offering price.

Mc30: Short-Term Instrument / End-of-Day Deadline – This optional indicator may be used on reports of trades in short-term instruments under nine months in effective maturity, including variable rate instruments, auction rate products, and commercial paper.

### (B) Inter-Dealer Transactions Reported Late

Mc40: VRDO Ineligible on Trade Date – Inter-dealer secondary market transactions effected in variable rate demand obligations (VRDOs) in which the interest rate reset date occurs between trade date and the time of settlement cannot be processed through RTTM until the interest rate reset has occurred. Dealers are required to report such trades by the end of the day that the interest rate reset occurs using the trade date and time of trade that the original trade was executed. Dealers may use this optional indicator to cause RTRS not to score the trade late.

Mc50: Resubmission of an RTTM Cancel – Uncompared inter-dealer trades are cancelled by RTTM on T+2 and the dealer originally submitting the trade must resubmit the transaction in a second attempt to obtain comparison with the contra-party. The dealer that originally submitted information to RTTM may use this optional indicator that would cause RTRS not to score the trade late; however, the dealer may only use this indicator if it resubmits the exact same trade information for the same trade.

### (C) Flat Transactions

M1c0: Traded Flat – This indicator is mandatory on transactions effected on terms that do not include accrued interest. This includes transactions in securities that have defaulted as to payment of interest or principal. If a security is traded with terms that do include accrued interest, but the amount of computed accrued interest is

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zero, such a transaction is not considered to have “traded flat.” For example, trade reports in zero-coupon bonds should not include this Special Condition Indicator.

### (D) Trades with Special Pricing Conditions

M2c0: Special Price (Extraordinary Settlement) – This indicator is mandatory if the following condition applies: the price differs from the market price because settlement was (a) for regular-way trades, other than T+3, or (b) for new issue trades, other than the initial settlement date of the issue. This indicator is not to be used for new issue, extended settlement or cash/next-day trades at the market price. Transactions reported with this indicator receive an end-of-day exception from the 15-minute reporting deadline.

M9c0: Special Price – This indicator is mandatory for trade reports in the specific trading scenarios listed below and if the transaction price differs substantially from the market price for multiple reasons or for a reason not covered by another Special Condition Indicator. Transactions reported with this indicator receive an end-of-day exception from the 15-minute reporting deadline.

The following trading scenarios require use of the Special Price indicator:

1. Auction Agent Instruction to Program Dealer - After an auction is conducted for municipal auction rate securities with multiple program dealers, the auction agent instructs transactions to be made between program dealers pursuant to the auction results. Such transactions between program dealers pursuant to the instruction of an auction are required to include the Special Price indicator.

2. Repurchase Agreement Transactions – Both the sale and purchase transactions resulting from a repurchase agreement are required to include the Special Price indicator.

3. UIT-Related Transactions – Dealers sponsoring Unit Investment Trust (“UIT”) or similar programs sometimes purchase securities through several transactions and deposit such securities into an “accumulation” account. After the accumulation account contains the necessary securities for the UIT, the dealer transfers the securities from the accumulation account into the UIT. Such transactions for the transfer of securities out of the accumulation account and into the UIT are required to include the Special Price indicator.

4. TOB Program-Related Transactions – Dealers sponsoring tender option bond programs (“TOB Programs”) for customers sometimes transfer securities previously sold to a customer into a derivative trust from which derivative products are created. If the customer sells the securities held in the derivative trust, the trust is liquidated and the securities are reconstituted from the derivative products and transferred back to the customer. Trade reports of the transfers of securities into the derivative trust

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and the transfer of securities back to the customer upon liquidation of the trust are required to include the Special Price indicator.

### 4.4 MT509 Message

Unchanged.

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## **Appendix B: Code Tables**

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### APPENDIX B.1: RTRS ERROR CODES

Unchanged.

### APPENDIX B.2: OTHER RTRS CODE TABLES

#### Special Condition Indicator (Previously Called Special Price Reason Code)

The following chart displays all currently valid Special Condition Indicators.

	No Special Price	Flat	Away from Market - Extraordinary Settlement (EOD)	Special Price - Other Reason (EOD)
<b>No Alternate Deadline</b>		M100	M200	M900
<b>Not in Security Master (3 Hr)</b>	M010	M110	M210	M910
<b>LOP Transaction (EOD)</b>	M020			
<b>Short Term (EOD)</b>	M030	M130	M230	M930
<b>VRDO Ineligible on Trade Date</b>	M040		M240	M940
<b>Resubmission of RTTM Cancel</b>	M050	M150	M250	M950

Mcc0

If Conditions Apply, Must be Included on Trade Report

Mcc0

Optional to Claim Exception to 15-Minute Deadline

Mcc0

Optional for Dealer that Originally Submitted Information to RTTM - Use to Claim Exception from 15 Minute Deadline on Resubmitted Trade Report

Invalid – No Code Available

The MSRB may in the future establish additional Special Condition Indicators for common situations. All Special Condition Indicators will be available on the MSRB's Web Site, [www.msrb.org](http://www.msrb.org). See section 4.3.2 for further details on the use of Special Condition Indicators.

### ATS Identifier Codes

Unchanged.

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### Message Originator (MEOR) Codes

Unchanged.

### APPENDIX B.3: RTRS REGULATORY STATUS CODES

Unchanged.

### APPENDIX B.4: RTTM CODES<sup>1</sup>

Unchanged.

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<sup>1</sup> It should be noted that while most of the codes contained in these tables are used to support GSCC, MBSCC and NSCC RTTM, some codes are used only by one clearing corporation, and may not be used by the other.