



Draft Specifications for Real-Time Reporting of Municipal Securities Transactions

Redline of Version 2.0

Municipal Securities Rulemaking Board

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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

1.2.1 Issues that Must be Reported

Unchanged.

1.2.2 Deadlines for Reporting

Trades in municipal securities are required to be reported to RTRS within 15 minutes of the time of trade, with the following limited exceptions:

- Dealers shall report “List Offering Price/Takedown Transactions” by the end of the day on which the transactions are executed. “List Offering Price/Takedown Transaction” means a primary market sale transaction executed on the first day of trading of a new issue: (a) by a sole underwriter, syndicate manager, syndicate member or selling group member at the published list offering price for the security (“List Offering Price Transaction”); or (b) by a sole underwriter or syndicate manager to a syndicate or selling group member at a discount from the published list offering price for the security (“RTRS Takedown Transaction”).

Note: If a transaction is executed at a price that is not publicly disseminated (*e.g.*, if the security is a “not reoffered” maturity within a serial issue), the transaction is not a “List Offering Price/Takedown Transaction.”

Note: This indicator is mandatory for all List Offering Price/Takedown Transactions, even if they are reported within 15 minutes of the trade time.

- On a temporary basis, a dealer is allowed to report trades up to three hours after 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 ceases to be effective after December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.



- Dealers must 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 must report transactions executed based upon a priced trading commitment made prior to the Time of Formal Award for a new issue (“Conditional Trading Commitment”) by the end of the day in which the trades are effected.

See below for details on how to indicate to the MSRB that a trade is eligible for an exception to the 15-minute reporting requirement (see Section 4.3.2, paragraph “SPXR – Special Condition Indicator” and Appendix B). Trade reports must include an appropriate Special Condition Indicator to receive an exception to the 15-minute reporting requirement. See section 4.3.2 for details.

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

This section adds additional comments regarding fields used differently or more specifically in the MT515 for RTRS regulatory reporting than in RT™M matching. Fields where there are no differences are not listed.



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.

Par (Quantity as Face Amount)

Unchanged.

Trade Instruction Processing Narrative

This field contains several items for regulatory reporting.

DEST – Destination.

Unchanged.

ITYP – Issue Type.

Unchanged.

SPXR – Special Condition Indicator. This is a dual purpose code that is used to indicate: (a) that a trade is eligible for an extended report time (*i.e.*, a reporting deadline other than the 15-minute requirement), and/or (b) that a trade was done at a price away from the market price at the time of trade execution or that a bond was traded flat. Since these conditions may apply independently of one another, a different position within the four-character code is used to indicate each condition.

Format. The Special Condition Indicator is formatted as Mcc0, where the first character is “M” (municipal), 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 values of this code.

No special condition or more than one special condition. If the trade has neither a deadline exception nor a special price, omit the Special Condition Indicator. If two exceptions to the 15-minute reporting deadline apply, use the longer exception. For example, if the security has not been traded in the past year and the CUSIP number is not in the dealer’s security master file (three-hour exception) and the security is a variable rate product (end-of-day short-term instrument exception), then the trade report is due by the end of the day.

A List Offering Price/Takedown Transaction in a short-term instrument (*i.e.*, a transaction that qualifies for both “Mc20” and “Mc30” as shown below) must be coded using the List Offering Price/ Takedown Transaction indicator (“Mc20”) rather than the Short-Term Instrument Special Condition Indicator (“Mc30”).

Exceptions to the 15-minute requirement. If the trade was done at a price away from the market price at the time of trade execution, or was done flat, or if it qualifies for an exception to the 15-minute reporting requirement, indicate the deadline using the third character. (Business rules for reporting deadlines are described above, section 1.2.2.)

- 0: Trade was done at a price away from the market price or was done flat and the 15-minute requirement applies (*i.e.* the trade does not qualify for an exception). Example: M100.
- 1: 3-hour deadline applies – Use this indicator if (a) the CUSIP number and indicative data of the issue traded are not in the dealer’s securities master file, (b) the dealer has not traded the issue in the previous year, and (c) the dealer is not a syndicate manager or syndicate member for the issue. This provision ceases to be effective after December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.. Example: M010.
- 2: End-of-day deadline applies – List Offering Price/Takedown Transaction as defined in section 1.2.2. Example: M020.

Note: This indicator is mandatory for all List Offering Price/Takedown Transactions, even if they are reported within 15 minutes of the trade time.

- 3: End-of-day deadline applies – trade in a short-term instrument under nine months in effective maturity. Example: M030.

Trades with Special Pricing Conditions. If the trade was done at a price away from the market price or the bond was traded flat, indicate the reason using the second character of the Special Condition Indicator.

- 0: Trade not executed away from the market price or flat, was trade is eligible for an exception to the 15-minute reporting requirement. Example: M010.
- 1: Bond was traded flat. Example: M110.
- 2: Away from market price (extraordinary settlement). Example: M210.



Use of this indicator is mandatory when the price of the transaction is away from the market price because (a) settlement is not regular way (T+3) or, (b) for a when-issued transaction, because the settlement date is not the issue's initial settlement date. It should not be used for extended settlement trades or cash/next-day trades that are at the market price, nor should it be used routinely for trades done on a when-issued basis.

3: Conditional Trading Commitment Transaction. Example: M310.

Note: This indicator is mandatory if the transaction is executed based upon a priced trading commitment made prior to the Time of Formal Award for a new issue.

9: Away from market price (other reason). Example: M910.

Use of this indicator is mandatory if the transaction price differs from the market price for a reason other than that covered by value "2", or for more than one reason. Do not use this indicator value "9" for trades at the market price.

RCTL – Reversal Control Number.

Unchanged.

ATME – ATS Identifier.

Unchanged.

YIEL – Yield.

Unchanged.

Party

Unchanged.

Trading Capacity

Unchanged.

Settlement Indicator

Unchanged.

Commission Amount

Unchanged.

Accrued Interest

Unchanged.

Originator of Message



Unchanged.

4.4 MT509 Message

Unchanged.



Appendix A: Examples of Data Flows for Regulatory Reporting

Unchanged.



Appendix B: Code Tables



APPENDIX B.1: RTRS ERROR CODES

Unchanged.

APPENDIX B.2: OTHER RTRS CODE TABLES

Special Condition Indicator (Previously 'Special Price Reason Code')

Omit this field if the trade is subject to the MSRB 15-minute reporting requirement and if no special condition applies. If two extended report times apply, use the longer time.¹ Use indicator values "2" or "9" only if the price differs from the market price. Do *not* use for extended settlement or cash/next-day trades at the market price.

The following chart displays the valid Special Condition Indicators. For example, if a trade does not qualify for an alternate deadline (see Section 1.2.2) and is flat (see Trades with Special Pricing Conditions, Section 4.3.2), use code 'M100'. If a trade qualifies for the 3-hour exception to the 15-minute rule (see Section 1.2.2) and the price is away from the market because of an extraordinary settlement (see Trades with Special Pricing Conditions, Section 4.3.2), use code 'M210'.

| | No Special Price | Flat | Away from Market - Extraordinary Settlement | Conditional Trading Commitment (EOD) | Away from Market - Other Reason |
|--|------------------|---|---|--------------------------------------|---------------------------------|
| | | M100 | M200 | M300 | M900 |
| Not in Security Master, WI (3 Hr) | M010 | M110 | M210 | M310 | M910 |
| LOP/TD Transaction (EOD) | M020 | | | M320 | |
| Short Term (EOD) | M030 | M130 | M230 | M330 | M930 |
| | | | | | |
| | Mcc0 | Mandatory – If conditions apply, must be included on report | | | |
| | Mcc0 | Optional – Use to claim exception to 15-minute deadline | | | |
| | | | | | |
| | | 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

¹ Example: if the CUSIP is not in the dealer's security master file (3 hour deadline) and is a variable rate product (end-of-day deadline), then the report is due at the end of the day. Use code M030, assuming no special price reason applies to the price.



ATS Identifier Codes

Unchanged.

Message Originator (MEOR) Codes

Unchanged.

APPENDIX B.3: RTRS REGULATORY STATUS CODES

Unchanged.

APPENDIX B.4: RTTM CODES²

Unchanged.

² 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.