



Understanding Your Confirmation

A confirmation is a written summary of the transaction details of the purchase or sale of municipal securities delivered to investors electronically or by mail. Review your confirmation as soon as you receive it to verify that a transaction was executed in accordance with your instructions. Confirmation information for multiple transactions in the same account executed on the same day will often appear together in one confirmation document.

[MSRB Rule G-15](#) requires each broker, dealer or municipal securities dealer (collectively, “broker”) to provide investors with a written confirmation at or before the settlement of each municipal securities transaction. The rule also specifies the information that a broker must provide on the confirmation.

- Securities descriptive information, such as credit backing, features of the securities, status of the securities, and tax information;
- Capacity in which the dealer acted on behalf of the customer [agent (i.e., for customer, for a person other than the customer, for both the customer and another person) or principal];
- Designation of whether the transaction was a buy or sell;
- Total dollar amount of transaction, accrued interest, as applicable, principal amount, and transaction-based compensation or other fees paid by the customer to the dealer;
- Information about the delivery of the municipal securities; and
- Other information about the transaction, as necessary.

What’s on Your Confirmation?

The front of a confirmation generally provides information about the security and the transaction, including:

- Name of customer;
- Name of dealer;
- Name of the issuer;
- Trade date;
- Settlement date;
- Transaction price;
- Interest rate, as applicable;
- Par value, as applicable;
- Maturity date, as applicable;
- CUSIP number, if any;
- Yield, unless the transaction is sold at par value or another exception applies, and dollar price of the transaction;

The back of the confirmation will typically provide specific details applicable to the information on the front of the confirmation and valuable disclosure information, including statements concerning aspects of specific municipal bond structures, deferred commissions, other charges imposed upon redemption,



Sample Confirmation

Sample confirmation only. The MSRB does not necessarily endorse or approve the language used in this confirmation. Your confirmation may appear different.

Financial Firm ABC®

May 21, 2018
Trade Confirmation – Account # 123456789

Jane Doe
123 Retail Customer Street
City, ST 12345

Financial Firm ABC
123 Main Street
City, ST 12345
(123) 456-7890

Trade Confirmation – Account # 123456789

We are pleased to confirm the below transaction:

Buy

CUSIP 99999999 SCHOOL DISTRICT BOND Unlimited Tax General Obligation 3.25% Due 04/01/36

You bought: **15,000** Price: **100.000**

Trade Order Number: 000000001

Trade Calculation

Principal Amount*:	\$15,000.00	Trade Date:	05/21/2018
Accrued Interest:	\$ 70.42	Trade Time:	2:55 PM
Transaction Fee:	\$ 4.95	Settlement Date:	05/23/2018

Total: \$15,075.37

Bank Qualified: No

State: ST

Bank Qualified: No

Dated Date: 04/01/1996

Yield to Maturity: 3.25

Yield to Call: 3.25

Callable 04/01/27 @ 100

Federally Tax Exempt: Yes

Capacity: Principal

Bond Form: Book Entry

***This Principal Amount includes a mark-up of \$150.00 (1.00% of the prevailing market price of the security).**
A mark-up is the amount you paid to Financial Firm ABC over and above the prevailing market price of the security. It typically includes compensation to your financial advisor and an additional amount that may account for Financial Firm ABC's expenses in the transaction and/or risk taken by Financial Firm ABC.

For more information about this security (including the official statement and trade and price history), visit <https://emma.msrb.org/CUSIP/9999999999>.

Follow this link to view your trade on the EMMA website and compare it to other trades in your bond.

Verify your transaction by reviewing the confirmation, and contact your broker immediately with any questions or concerns.

or conditions for payment of principal and interest. In addition, the back of the confirmation may include statements concerning time of execution, along with codes, abbreviations, explanations and instructions for the delivery of the official statement. Importantly, the back of the confirmation may specify additional

information available upon request about the municipal securities transaction. Generally, information requested by an investor within 30 days of the transaction execution must be provided to the investor within five business days following the date of receipt of the request for information.



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Amount of Broker Compensation

Mark-Up. For certain transactions, your confirmation will show the amount of “mark-up” for a bond you have purchased (referred to as “mark-down” when you are selling the bond). Mark-up is a form of compensation for brokers in principal trades, or trades in which your broker owns the bond, before selling it to you. Any mark-up is built into the total price you pay or receive for your bond. The mark-up is the difference between your price and your bond’s “prevailing market price.” Generally, the term “prevailing market price” means the prevailing price at which brokers purchase or sell a bond among one another at a given time. The amount of mark-up generally is required to be separately disclosed from the total price on your confirmation if your broker bought or sold that bond to a third party in a same-day transaction, although some firms provide this information on all trades. [Read more about mark-up.](#)

Commissions and Other Compensation.

In a municipal securities transaction in which the firm acts as an agent and does not own the bond, the firm must disclose on the confirmation the amount of commission. Unlike a mark-up or mark-down, a commission is not included in the price paid or received for securities. Rather, it is a separate charge disclosed on the confirmation.

A firm may receive additional compensation beyond a commission or mark-up/mark-down. This compensation is not always displayed as a separate line item on the confirmation and may be included in the total cost of the transaction. Some firms’ fees are based on a flat dollar amount per trade or per bond. Other firms’ fees may be based on a percentage of the transaction amount. There is no standard charge for bond transactions, so ask your financial professional how the compensation is displayed on the confirmation and how he or she is compensated for municipal securities transactions.

Learn More on EMMA®

Most retail customer confirmations will include the time that your trade was executed and a link to the MSRB’s [Electronic Municipal Market Access \(EMMA®\) website](#), the official source for information about virtually every municipal bond trade. Follow the link on EMMA and, using the transaction identifying information from your confirmation, compare your trade price to other close-in-time transactions in the same bond. This information can provide context for your trade price.

Be an informed investor — verify your transaction by reviewing the confirmation, explore additional information on EMMA and contact your broker immediately with any questions or concerns you may have.



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