

2024-07

Publication Date

May 22, 2024

Stakeholders

Municipal Securities
Dealers, Investors, Bank
Dealers, General Public

Notice Type

Informational Notice

Effective Date

May 22, 2024

Category

Uniform Practice

Affected Rules

[Rule G-12](#), [Rule G-15](#)

MSRB to Retire Select Interpretive Guidance Regarding Inter-Dealer Confirmation Disclosures

Overview

As part of its ongoing rulebook modernization efforts, the Municipal Securities Rulemaking Board (“MSRB”) is retiring select interpretive guidance in connection with the retrospective rule review of MSRB Rule G-12(c).

The select interpretive guidance largely pertains to Rule G-12(c), a provision that specifies the confirmation disclosure requirements for inter-dealer municipal securities transactions that are ineligible for automated comparison in a system operated by a registered clearing agency. The guidance also includes information that is already codified in other current MSRB rules or is otherwise superfluous or redundant.

The MSRB is retiring nine pieces of guidance from the MSRB rulebook effective May 22, 2024. The interpretive guidance that is being retired will be archived on the MSRB website,¹ where it may be accessed for the purpose of historical comparison and analysis. By retiring this guidance, the MSRB intends to foster compliance with MSRB rules by eliminating outdated guidance that may cause distraction from the rule text and other interpretive guidance that better addresses the requirements of Rule G-12(c) in the context of the modern municipal securities market. The MSRB believes that retiring such guidance will aid in streamlining the rulebook and help remove undue compliance burdens on regulated entities.



Receive emails about
MSRB Notices.

¹ The retired interpretive guidance will be moved to the “MSRB Archived Interpretive Guidance” page of msrb.org, available at <https://www.msrb.org/MSRB-Archived-Interpretive-Guidance>.

Background

Consistent with the MSRB’s strategic plan and as part of the constant care and keeping of the MSRB’s rulebook, the MSRB strives to ensure that, among other things, the MSRB’s rules and related guidance are effectively protecting investors, issuers and the public interest, are reflective of current market practices and have not become overly burdensome. As part of its effort to achieve these goals, the MSRB is engaged in a long-term initiative to review the MSRB’s catalogue of interpretive guidance and clarify, codify, amend and/or retire guidance that no longer achieves its intended purpose. The retrospective review of Rule G-12(c) and related interpretive guidance stems from the MSRB’s undertaking to review its body of interpretive guidance.

As part of its retrospective review of Rule G-12(c) and related interpretive guidance, the MSRB issued a request for comment,² which sought feedback regarding several proposed regulatory actions, including retiring outdated guidance and streamlining the MSRB rulebook by codifying directly into the rule text the relevant investor and issuer protections established over decades of interpretive guidance.³ The MSRB received one letter in response to the RFC.⁴ This letter expressed support for the effort to retire outdated guidance, stating: “SIFMA agrees that the MSRB should retire the guidance as suggested in the [RFC].”⁵ The SIFMA Letter further urged the MSRB to prioritize addressing guidance not being incorporated into the rule before taking further action on related initiatives noted in the RFC.⁶

Retirement of Select Interpretive Guidance

The MSRB is retiring nine pieces of interpretive guidance that, at their respective times of publication, were designed to address a novel or

² [MSRB Notice 2023-08](#), Request for Comment on Retrospective Rule Review of Rule G-12(c) on Inter-Dealer Confirmations and Related Interpretive Guidance (Sep. 28, 2023) (the “RFC”).

³ See [RFC § II, pp. 10–14](#); see also *id.* at [App. A, Item III, pp. 32–33](#) (listing hyperlinked citations to interpretive guidance proposed to be retired as superfluous).

⁴ [Letter from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association \(“SIFMA”\)](#), dated Dec. 15, 2023 (the “SIFMA Letter”).

⁵ [SIFMA Letter App. A, Response to Question No. 7, p. 7](#) (referring, in part, to the RFC’s proposed retirement of interpretive guidance identified *supra* note 2).

⁶ See [SIFMA Letter at 3](#).

frequently asked question but are now believed to have limited utility in the present market, are considered outdated due to current market practices or are otherwise superfluous.⁷

- Interpretive Guidance, G-12, [Confirmation Disclosure: Put Option Bonds](#) (May 11, 1981);
- Interpretive Guidance, G-12, [Confirmation: Mailing of WAI Confirmation](#) (Apr. 30, 1982);
- Interpretive Guidance, G-12, [Confirmation Disclosure: Advance Refunded Securities](#) (Jan. 4, 1984);
- Interpretive Guidance, G-12, [Confirmation Disclosures: Tender Option Bonds with Adjustable Tender Fees](#) (Oct. 3, 1984);
- Interpretive Guidance, G-12, [Confirmation Disclosures: Tender Option Bonds with Adjustable Tender Fees](#) (Mar. 5, 1985);
- Interpretive Guidance, G-15, [Callable Securities: Pricing to Call](#) (Mar. 9, 1979);
- Interpretive Guidance, G-15, [Callable Securities: Pricing Transactions on Construction Loan Notes](#) (Mar. 5, 1984);
- Interpretive Letter, G-15, [Agency Transaction: Pricing](#) (Sep. 20, 1979); and
- Interpretive Guidance, G-15, [Securities Description: Prerefunded Securities](#) (Feb. 17, 1998).

Questions concerning this notice may be directed to Abha Mohla, Senior Associate Director, Market Regulation, at (202) 838-1500.

May 22, 2024

⁷ For additional detail regarding the MSRB’s determination that these pieces of guidance are superfluous, please see Section II. of the RFC, at pages 11–13. The MSRB is retiring all pieces of guidance noted in Section II. of the RFC with one exception: Interpretive Guidance, G-12, [Confirmation: Mailing of WAI, “All or None” Confirmation](#) (Oct. 7, 1982). The MSRB continues to consider whether this piece of guidance should be retired. In addition, two pieces of guidance identified under Appendix A. V.(a) and V.(b) of the RFC, at page 33, are expected to be retired pursuant to [Exchange Act Release No. 99949](#) (Apr. 12, 2024), 89 FR 27809 (Apr. 18, 2024) (File No. SR-MSRB-2024-03).