

**MEMO# 27381**

July 17, 2013

## **Proposed Rule Amendments to Permit Dissemination of Information Related to Rule 144A Transactions; Your Views Requested By July 22nd**

[27381]

July 17, 2013

TO: CLOSED-END INVESTMENT COMPANY COMMITTEE No. 17-13  
END OF DAY PRICING FORUM No. 6-13  
EQUITY MARKETS ADVISORY COMMITTEE No. 13-13  
FIXED-INCOME ADVISORY COMMITTEE No. 15-13  
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 16-13 RE: PROPOSED RULE  
AMENDMENTS TO PERMIT DISSEMINATION OF INFORMATION RELATED TO RULE 144A  
TRANSACTIONS; YOUR VIEWS REQUESTED BY JULY 22ND

FINRA recently filed with the SEC proposed amendments to FINRA rules and Trade Reporting and Compliance Engine ("TRACE") dissemination protocols to provide greater transparency with respect to Rule 144A transactions. [\[1\]](#) While the SEC has not yet published the proposal for comment, once published in the Federal Register, there will be a twenty-one day comment period.

We are pleased to report that the Proposal is consistent with Institute comments on the FINRA Regulatory Notice that preceded the Proposal. [\[2\]](#) In particular, under the Proposal, Rule 144A transactions would be required to be disseminated subject to the same dissemination caps that are currently in effect for any non-Rule 144A transaction in the applicable security (e.g., a non-Rule 144A transaction in an investment grade corporate bond). This means that investment grade Rule 144A transactions would be disseminated subject to a \$5MM dissemination cap and non-investment grade Rule 144A transactions would be disseminated subject to a \$1MM dissemination cap. [\[3\]](#)

Please provide any comments on the Proposal that you would like us to consider including in a comment letter to Dorothy Donohue by email at [ddonohue@ici.org](mailto:ddonohue@ici.org) or phone at 202-218-3563 no later than July 22nd. In the meantime, given the brief comment period, the Institute will begin drafting a letter supporting the Proposal along the same lines as our November 2012 letter.

Dorothy M. Donohue  
Deputy General Counsel - Securities Regulation

**endnotes**

[1] See SR-FINRA-2013-029, Proposed Rule Change Relating to the Dissemination of Transactions in TRACE-Eligible Securities that are Effected Pursuant to Securities Act Rule 144A, which is available on FINRA's website at <http://www.finra.org/web/groups/industry/@ip/@reg/@rulfil/documents/rulefilings/p297240.pdf> (the "Proposal").

[2] See Institute [Memorandum](#) to Closed-End Investment Company Committee No. 32-12, Equity Markets Advisory Committee No. 22-12, Fixed-Income Advisory Committee No. 20-12, Municipal Securities Advisory Committee No. 40-12, and End of Day Pricing Forum No. 8-12, dated September 24, 2012 [Memorandum No. 26515] (summarizing Regulatory Notice 12-39 (September 2012) ("Notice") and Institute [Memorandum](#) to Closed-End Investment Company Committee No. 44-12, Equity Markets Advisory Committee No. 34-12, Fixed-Income Advisory Committee No. 27-12, Municipal Securities Advisory Committee No. 47-12, and End of Day Pricing Forum No. 10-12, dated November 12, 2012 [Memorandum No. 26679] (summarizing the Institute's comment letter on the Proposal).

[3] See Release at pp. 9-10. The Proposal also notes that FINRA is not proposing to change any of the existing dissemination caps at this time for non-Rule 144A transactions in corporate bonds, agency debt securities, and asset-backed securities. See Proposal at note 19.

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