

MEMO# 22498

May 6, 2008

SEC Approves MSRB Proposal to Improve Transaction Reporting of New Issues

[22498]

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TO: MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 20-08 RE: SEC APPROVES MSRB PROPOSAL TO IMPROVE TRANSACTION REPORTING OF NEW ISSUES

The Securities and Exchange Commission has approved a rule proposal filed by the Municipal Securities Rulemaking Board (“MSRB”) to improve transaction reporting and price transparency of new issues. [\[1\]](#) The rule proposal amends MSRB Rule G-8, Books and Records, Rule G-9, Preservation of Records, and Rule G-34, CUSIP Numbers and New Issues Requirements.

Specifically, the proposal accelerates the timing for CUSIP number assignment and, with the exception of new issues of short-term instruments with less than nine months in effective maturity, requires underwriters to: (1) submit certain information about a new issue of municipal securities to Depository Trust and Clearing Corporation’s New Issue Information Dissemination System (“NIIDS”) within set timeframes; and (2) set and disseminate a “Time of First Execution” that allows time for market participants to access necessary information in preparation for trade reporting prior to beginning trade executions in the issue. [\[2\]](#) The effective date of the proposal was postponed from June 30, 2008 to September 30, 2008.

In approving the proposal, the SEC found that the rule change would allow the municipal securities industry to produce more accurate trade reporting and transparency.

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endnotes

[1] See SEC Release No. 34-57750 (May 1, 2008) ("Release"). The Release is available at the SEC's website at <http://www.sec.gov/rules/sro/msrb/2008/34-57750.pdf>.

[2] See Memorandum to Municipal Securities Advisory Committee No. 1-08, January 17, 2008 [22134].

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