

MEMO# 25988

March 16, 2012

MSRB Proposes Rule Amendments Concerning Retail Order Periods

[25988]

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TO: MONEY MARKET FUNDS ADVISORY COMMITTEE No. 17-12
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 10-12 RE: MSRB PROPOSES RULE
AMENDMENTS CONCERNING RETAIL ORDER PERIODS

The Municipal Securities Rulemaking Board has proposed amendments to MSRB rules and a related interpretive notice that would govern the responsibilities of dealers in the conduct of retail order periods. [\[*\]](#) Comments are due to the MSRB by April 13, 2012.

The MSRB is proposing the amendments and the interpretive notice because it has been made aware of various concerns related to retail order periods from issuers, dealers, and municipal advisors. The proposed amendments would include definitions of the terms “going away order,” “selling group,” and “retail order period.” The proposed amendments would leave the definition of “retail” for purposes of “retail order periods” to the issuer. The proposal acknowledges, however, that certain market participants have expressed concern that issuer definitions of “retail” are not uniform and may vary considerably from one another. In light of these concerns, the MSRB is seeking comment on whether it should adopt a uniform definition of “retail” for purposes of its retail order period rules and, if so, what it should be.

The proposed interpretive notice would address the duties of all dealers placing orders in retail order periods, not just underwriters. For example, the notice would provide that issuers may reasonably expect that all dealers will deal fairly with them by abiding by the terms and conditions established by the issuers for the retail order periods, including the issuers’ respective definitions of retail.

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endnotes

[*] See Request for Comment on Proposed Rule Amendments and Interpretive Notice on Retail Order Periods. MSRBO Notice 2012-13 (March 6, 2012), available on the MSRB's website at <http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2012/2012-13.aspx>.

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