

**MEMO# 14484**

February 28, 2002

## **INSTITUTE DRAFT COMMENT LETTER ON SEC NOTICE REGARDING THE MSRB'S PROPOSED SMMP CONCEPT**

URGENT/ACTION REQUESTED [14484] February 28, 2002 TO: FIXED-INCOME ADVISORY COMMITTEE No. 3-02 RE: INSTITUTE DRAFT COMMENT LETTER ON SEC NOTICE REGARDING THE MSRB'S PROPOSED SMMP CONCEPT As we previously informed you, the Securities and Exchange Commission has issued for public comment a release regarding the Municipal Securities Rulemaking Board's ("MSRB") interpretive guidance on the application of various MSRB rules to sophisticated municipal market professionals ("SMMPs").<sup>1</sup> The Institute has prepared a draft comment letter on the MSRB's SMMP proposal, a copy of which is attached. The draft letter reiterates the points we made in an earlier comment letter we submitted to the MSRB on its previous revised draft guidance.<sup>2</sup> Specifically, the draft letter supports the MSRB's proposal generally, but reiterates our concern that any reduction in a dealer's obligations under the MSRB's fair practice standards should not be at the expense of important investor protections. The letter also addresses the issues raised by the MSRB in response to our letter. Comments on the MSRB's proposal are due Monday, March 4th. Please provide any comments you may have on the draft letter to me by email at [bsimmons@ici.org](mailto:bsimmons@ici.org), by phone at 202/326-5923, or by fax at 202/326-5827, no later than Friday, March 1st. Barry E. Simmons Associate Counsel Attachment (in .pdf format) 1 See Memorandum to Fixed-Income Advisory Committee No. 2-02, dated February 15, 2002. 2 See Memorandum to Fixed-Income Advisory Committee No. 16-01, dated October 24, 2001.

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