

**MEMO# 6266**

October 4, 1994

# **INSTITUTE COMMENT LETTER ON PROPOSED T+3 SETTLEMENT FOR MUNICIPAL SECURITIES**

October 4, 1994 TO: OPERATIONS COMMITTEE NO. 27-94 SEC RULES COMMITTEE NO. 107-94 TRANSFER AGENT ADVISORY COMMITTEE NO. 39-94 UNIT INVESTMENT TRUST COMMITTEE NO. 64-94 RE: INSTITUTE COMMENT LETTER ON PROPOSED T+3 SETTLEMENT FOR MUNICIPAL SECURITIES \_\_\_\_\_ The Institute has filed the attached comment letter with the Securities and Exchange Commission concerning the proposal of the Municipal Securities Rulemaking Board ("MSRB") to amend its rules to establish three business days ("T+3") as the standard settlement time frame for regular-way transactions in municipal securities. The letter strongly supports adoption of the proposed amendments to the MSRB's rules and states that, establishing three business days as the standard settlement time frame for regular-way transactions in municipal securities is essential to the successful conversion to a three day settlement time frame for transactions in securities issued by investment companies. The letter also indicates support for the MSRB's request that the proposed rule changes become effective in June 1995, simultaneously with Rule 15c6-1 which will establish three business days as the standard time frame for settlement of broker-dealer transactions, including mutual fund share transactions. Diane M. Butler Director - Operations & Fund Custody Attachment