

MEMO# 35612

February 12, 2024

SEC Approves MSRB Rule Amendments to Promote Same-Day Affirmation

[35612]

February 12, 2024

TO: Municipal Securities Advisory Committee
Operations Committee

Securities Operations Advisory Committee RE: SEC Approves MSRB Rule Amendments to Promote Same-Day Affirmation

On Wednesday, February 7, the SEC approved a rule filing from the Municipal Securities Rulemaking Board (MSRB) to amend MSRB Rule G-12 to require dealers effecting municipal securities transactions subject to the T+1 settlement cycle to (1) enter into written agreements with "relevant parties" to ensure allocation, confirmation, affirmation (or any combination) of a transaction as soon as technologically practicable on a same-day basis ("same-day affirmation"), or (2) adopt written policies and procedures reasonably designed to meet that standard.^[1] The MSRB's amended rule, which the SEC approved as proposed, is intended to promote same-day affirmation and aligns with the SEC's adopted T+1 settlement requirement under Rule 15c6-2, including the May 28, 2024 compliance date. ICI previously submitted a comment letter in support of the MSRB's filing.^[2]

Nhan Nguyen
Associate General Counsel, Securities Regulation

Notes

^[1] Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of a Proposed Rule Change to Amend MSRB Rule G-12 to Promote the Completion of Allocations, Confirmations, and Affirmations by the End of Trade Date, Exchange Act Release No. 34-99484 (Feb. 7, 2024), available at <https://www.sec.gov/files/rules/sro/msrb/2024/34-99484.pdf>. See also MSRB Notice 2024-03, SEC Approves Amendment to MSRB Rule G-12 to Promote the Completion of Allocations, Confirmations, and Affirmations by the End of Trade Date (Feb. 8, 2024), available at <https://www.msrb.org/sites/default/files/2024-02/2024-03.pdf>.

[2] ICI Memorandum No. 35588 (Jan. 19, 2024), available at <https://www.ici.org/memo35588>.

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.