

The Municipal Securities Rulemaking Board (MSRB) developed this document to provide brokers, dealers and municipal securities dealers (collectively, “dealers”) answers to frequently asked questions (FAQs) about the price variance alert process¹ related to the MSRB’s Real-Time Transaction Reporting System (RTRS)². These questions and answers do not create new legal or regulatory requirements, or new interpretations of existing requirements, and should not be interpreted as establishing new standards of conduct.

1. When is a price variance alert generated?

A price variance alert is generated when a trade is reported to RTRS by a dealer at a price that is notably different (*i.e.*, notably lower or higher) than the price reported to RTRS by other dealers in the same security within a specified time period.

2. How is a dealer notified that a price variance alert has occurred?

An alert is sent via email to a dealer’s Primary Regulatory contact and its Primary and Optional Data Quality contacts as identified on the dealer’s MSRB Form A-12.³ The email includes the trade type (*i.e.*, customer or inter-dealer trade), CUSIP number, trade date/time and external dealer control number (*i.e.*, XREF) of the transaction that is the subject of a price variance alert.

3. How can a dealer determine who at the firm will be receiving any email alerts?

A dealer’s Primary or Optional Regulatory contact, Compliance contact and Master Account Administrator are all able to review the firm’s current Form A-12 to see the name of the firm’s Primary Regulatory contact and Primary and Optional Data Quality contacts. All other individuals

with access to MSRB Gateway, but not to Form A-12, should contact one of the listed account administrators for assistance in determining who is listed as the dealer’s Data Quality contacts and Primary Regulatory contact. The list of account administrators appears in the MSRB Gateway main menu, under the “Account and Organization Management” section of the web page.

4. How is a dealer expected to respond if a price variance alert email is received?

A dealer may wish to review the trade data related to the alert to ensure the information reported to RTRS reflects the trade price as intended. If there is an error, a dealer should promptly modify the price by following the applicable procedures set forth in the [RTRS Specifications Manual](#). The MSRB’s [Electronic Municipal Market Access \(EMMA®\) website](#) can be used to check that the modified trade price was submitted correctly by reviewing the security details web page⁴ for the specific municipal security.

Any trade identified as having a price variance that is left unmodified by the dealer will be considered by the MSRB as accurately reported to RTRS. If the trade price was correctly reported, no action is needed.

¹ As of March 4, 2019, dealers will receive email alerts regarding any trades that are the subject of a price variance alert and will be able to review such trade data via the price variance alert history web page on RTRS Web. For more information about RTRS Web, see the [RTRS Information Facility](#) and the [MSRB Real-Time Transaction Reporting \(RTRS\) Users Manual](#).

² Under [MSRB Rule G-14](#), on reports of sales or purchases, dealers that effect transactions in municipal securities must submit transaction data to the MSRB within 15 minutes of the time of trade, with limited exceptions.

³ Under [MSRB Rule A-12](#), on registration, dealers must identify certain designated contacts outlined in the rule for purposes of receiving communications from the MSRB.

⁴ Use the quick or advanced search feature to access the security details web page for a specific municipal security, by entering the CUSIP number for the municipal security and clicking on the “trade activity” tab to view, among other things, a daily summary or expanded detailed listing of trade prices.

5. Where on RTRS Web can the price variance alert history web page be found?

As a tool to assist dealers, a list of the price variance alerts emailed to a dealer will also be available in RTRS Web.

After logging into MSRB Gateway from www.msrb.org:

- From the main menu, click the “RTRS Web Interface” link under the “Market Transparency Systems” section.
- From the RTRS Web main navigation page, click on the “Price Variance Alert History” icon.
- This web page will display a list of trades, if any, that have been the subject of a price variance alert in the order of the trade date.

Note: The availability of menu options in RTRS Web varies by user, depending on privileges granted by the dealer. However, all RTRS Web users will have access to view their dealer’s price variance alert history.

6. If a dealer finds that a trade price reported to RTRS was incorrect, how long will a dealer have to correct the trade price?

Under MSRB Rule G-14, on reports of sales or purchases, potential problems with reported trade data must be reviewed and addressed promptly to ensure that the information being disseminated by RTRS is accurate. Trade data information reported to RTRS is critical to the public reporting of prices for transparency purposes and to the compilation of an audit trail for regulatory purposes.

7. If a dealer corrects a trade identified as having a price variance, will the information displayed on the dealer’s price variance alert history web page reflect the updated or canceled trade?

Trade price information displayed on the price variance alert history web page is current as of the time the alert is sent and is not subsequently updated to reflect modifications or cancellations, if any. However, each entry on the price variance alert history web page links to the associated trade information page in RTRS Web where the complete history of all updates or cancellations are reflected. Additionally, updated trade price information will be displayed on the EMMA website, as appropriate.

8. Will a dealer’s trades “away from the market” generate a price variance alert?

Under Rule G-14(a)(ii), on general procedures, a dealer may report “away from market” trades by the end of the day on which the trade is executed (*i.e.*, such trades receive an end-of-day exception from the 15-minute reporting deadline), when marking the trade with a special indicator code. Use of the “away from market” special indicator code for trade reporting is necessary if a trade price differs substantially from the market price for multiple reasons or for a reason not covered by another special condition indicator.

A price variance alert will not be generated for these types of trades and such trades will not be displayed on a dealer’s price variance alert history web page.

9. How long will trades that are the subject of a price variance alert be displayed on the price variance alert history web page?

As with all trade data information on RTRS Web, price variance alert history information will be made available to dealers for four years.

10. Can price variance alert history information be downloaded?

Trade data information on the price variance alert history web page cannot be downloaded or exported.

BACKGROUND AND ADDITIONAL RESOURCES

- [MSRB Rule G-14: Reports of Sales or Purchases](#)
- [MSRB Webinar: Enhancements to the Price Variance Alert Notification Process](#)
- [MSRB Real-Time Transaction Reporting \(RTRS\) Users Manual](#)
- [MSRB Registration Manual](#)