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Affected Rules
[Rule G-14](#)

MSRB Revises Effective Date for Amendments to MSRB Rule G-14, on Transaction Reporting

The Municipal Securities Rulemaking Board (MSRB) filed with the Securities and Exchange Commission (SEC) a rule change to revise the effective date of several amendments to MSRB Rule G-14, on transaction reporting.¹ The new effective date of the amendments will be July 18, 2016 to align with the implementation of similar Financial Industry Regulatory Authority (FINRA) reporting requirements. The MSRB, in its filing, designated this revision for immediate effectiveness.

On May 22, 2015, the SEC approved the relevant amendments to Rule G-14 with a year-long implementation period and an effective date of May 23, 2016.² Rule G-14 requires dealers to report all executed transactions in most municipal securities to the MSRB's Real-Time Transaction Reporting System (RTRS) within 15 minutes of the time of trade, with limited exceptions. RTRS serves the dual objectives of price transparency and market surveillance. The MSRB makes transaction data for transparency purposes available to the general public through the Electronic Municipal Market Access (EMMA[®]) website at no cost, and disseminates such data through paid subscription services to market data vendors, institutional market participants and others that subscribe to the data feed.

The amendments to Rule G-14 will enhance the post-trade price transparency information provided through RTRS by:

- Expanding the application of the existing list offering price and takedown indicator to cases involving distribution participant dealers and takedown transactions that are not at a discount from the list offering price;

¹ See [File No. SR-MSRB-2016-05](#).

² See Securities Exchange Act of 1934 ("Exchange Act") Release No. 75039 (May 22, 2015), 80 FR 31084 (June 1, 2015) (SR-MSRB-2015-02).



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- Eliminating the requirement for dealers to report yield on customer trade reports and, instead, enabling the MSRB to calculate and disseminate yield on customer trades;
- Establishing a new indicator for customer trades involving non-transaction-based compensation arrangements; and
- Establishing a new indicator for alternative trading system (ATS) transactions.

FINRA obtained SEC approval to make similar changes to the post-trade reporting requirements for its members with respect to securities eligible for FINRA's Trade Reporting and Compliance Engine (TRACE).³ Certain of these similar FINRA requirements were also set to take effect on May 23, 2016, but on January 27, 2016, FINRA made a filing with the SEC to extend the effective date to be July 18, 2016.⁴ FINRA adopted the extension to provide members additional time to complete systems changes necessary to comply with the new TRACE reporting requirements.⁵

In setting an effective date of May 23, 2016, one year from the date of SEC approval of the amendments to Rule G-14, the MSRB intended to provide sufficient time for brokers, dealers and municipal securities dealers (collectively, "dealers"), and subscribers, to undertake programming changes and testing related to the new RTRS reporting requirements. While the MSRB believes that one year was a sufficient period to complete this activity, it believes that harmonization with the implementation of similar FINRA reporting requirements will promote regulatory efficiency and reduce the burden on dealers and subscribers that are making programming changes related to both the MSRB and FINRA rule changes.

³ See FINRA Rules 6730 and 6732; Exchange Act Release No. 76176 (Oct. 16, 2015), 80 FR 64039 (Oct. 22, 2015) (SR-FINRA-2015-026) (requiring the reporting of an indicator when a TRACE report does not reflect a commission or mark-up/mark-down); Exchange Act Release No. 76677 (Dec. 17, 2015), 80 FR 79966 (Dec. 23, 2015) (SR-FINRA-2015-055) (providing FINRA with authority to grant exemptions from TRACE reporting requirements for certain ATS transactions, and requiring the reporting of the identity of the ATS on which an exempted trade occurs).

⁴ See Exchange Act Release No. 77015 (Feb. 2, 2016), 81 FR 6555 (Feb. 8, 2016) (SR-FINRA-2016-003) ("FINRA Extension"). See also <https://www.finra.org/industry/trace/trace-reporting-and-dissemination-no-remuneration-trades-and-ats>.

⁵ See FINRA Extension, note 4, *supra*.

Questions concerning this notice should be directed to Michael L. Post, General Counsel – Regulatory Affairs, or Carl E. Tugberk, Assistant General Counsel, at 202-838-1500.

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