

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2024 - * 01

Amendment No. (req. for Amendments *) 1

Filing by Municipal Securities Rulemaking Board

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input type="checkbox"/>	Amendment * <input checked="" type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input checked="" type="checkbox"/>	Section 19(b)(3)(A) * <input type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>
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Rule

<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)
<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)
<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
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Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>
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Exhibit 2 Sent As Paper Document <input type="checkbox"/>
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Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

[Yellow background area for description]

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Ernesto Last Name * Lanza

Title * Chief Regulatory and Policy Officer

E-mail * elanza@msrb.org

Telephone * (202) 838-1500 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Municipal Securities Rulemaking Board has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 07/18/2024

(Title *)

By Ronald W. Smith

Corporate Secretary

(Name *)

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

rsmith@msrb.org
rg
Digitally signed by rsmith@msrb.org
Date: 2024.07.18 13:36:22 -04'00'

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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MSRB-2024-01 A-1.docx

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

The Municipal Securities Rulemaking Board (the “MSRB”) is filing this amendment (“Amendment No. 1”) to File No. SR-MSRB-2024-01, originally filed with the Securities and Exchange Commission (the “Commission”) on January 12, 2024, to (i) amend MSRB Rule G-14, on reports of sales or purchases (“Rule G-14”), to shorten the amount of time within which brokers, dealers and municipal securities dealers (“dealers”) must report most transactions to the MSRB, and (ii) make conforming amendments to MSRB Rule G-12, on uniform practice, and the MSRB’s Real-Time Transaction Reporting System (“RTRS”) Information Facility to reflect the shortened reporting timeframe (the “original proposed rule change”).¹ Amendment No. 1 amends certain aspects of the two new proposed intra-day exceptions to the one-minute reporting requirement, as described below. The original proposed rule change, as amended by Amendment No. 1, is referred to herein as the “proposed rule change.”

Background

The original proposed rule change would amend Rule G-14 RTRS Procedures under Rule G-14 to, among other things, establish a baseline trade reporting requirement under the proposed amendment to subparagraph (a)(ii) of Rule G-14 RTRS Procedures to the effect that dealers would be required to report most trades as soon as practicable but no later than one (1) minute after the Time of Trade, subject to certain existing and proposed new exceptions to such reporting timeframe. The original proposed rule change would create two new exceptions to the new one-minute reporting requirement: (i) an exception for dealers with “limited trading activity” under proposed new subparagraph (a)(ii)(C)(1) and Supplementary Material .01 of Rule G-14 RTRS Procedures, with trades by such dealers continue being subject instead to a 15-minute reporting requirement; and (ii) an exception for “trades with a manual component” under proposed new subparagraph (a)(ii)(C)(2) and Supplementary Material .02 of Rule G-14 RTRS Procedures, with such trades being subject instead to a phased-in shortened reporting requirement that would ultimately be reduced to five (5) minutes after the Time of Trade.

Under the original proposed rule change, proposed subparagraph (d)(xi) of Rule G-14 RTRS Procedures would define a dealer with limited trading activity as a dealer that, during at least one of the prior two consecutive calendar years, reported to an RTRS Portal fewer than 1,800 transactions, excluding certain exempted transactions. For the reasons described below, Amendment No. 1 would amend the definition of a dealer with limited trading activity as proposed in the original proposed rule change by changing the threshold for qualifying as such from 1,800 transactions to 2,500 transactions, excluding certain exempted transactions, and would add clarifying language to reflect that the threshold is based on both sell-side and buy-side inter-dealer and customer trade reports.

In addition, under the original proposed rule change, proposed new Supplementary Material .02(b) of Rule G-14 RTRS Procedures would subject trades with a manual component to a phase-in period for timely reporting over three years (“phase-in period”). Specifically,

¹ See Exchange Act Release No. 99402 (Jan. 19, 2024), 89 FR 5384 (Jan. 26, 2024) (File No. SR-MSRB-2024-01) (“MSRB Filing Notice”). Except as expressly defined herein, the defined terms used in this Amendment No. 1 shall have the meanings as defined in the original proposed rule change.

during the first year of effectiveness of the exception, trades meeting this definition would be required to be reported as soon as practicable, but no later than 15 minutes after the Time of Trade. During the second year, such trades would be required to be reported as soon as practicable, but no later than 10 minutes after the Time of Trade. After the second year and thereafter, such trades would be required to be reported as soon as practicable, but no later than five minutes after the Time of Trade.

For the reasons described below, Amendment No. 1 would extend the phase-in period for the manual trade exception by one additional year by providing in clause (ii) of proposed new Supplementary Material .02(b) that a trade with a manual component must be reported no later than 10 minutes after the Time of Trade for the second and third calendar years (rather than only the second year) from the effective date of the proposed rule change and providing in clause (iii) that a trade with a manual component would become reportable no later than five minutes after the Time of Trade after the conclusion of the third calendar year (rather than the second calendar year) from the effective date of the proposed rule change.

Discussion of Certain Comments on the Original Proposed Rule Change

In response to the MSRB Filing Notice, the Commission received fourteen (14) comment letters regarding the original proposed rule change.² Several commenters maintained that the exceptions to the one-minute reporting requirement were requisite to implementing the proposed

² See letters to Vanessa A. Countryman, Secretary, Commission, from: Michael Noto, FINRA Registered Representative dated Jan. 31, 2024 (“Noto Letter”); J. Ben Watkins, Director, Division of Bond Finance, State of Florida dated Feb. 13, 2024 (“State of Florida Letter”); Matthew Kamler, President, Sanderlin Securities LLC dated Feb. 14, 2024 (“Sanderlin Securities Letter”); J. D. Colwell dated Feb. 15, 2024 (“Colwell Letter”); Gerard O’Reilly, Co-Chief Executive Officer and Co-Chief Investment Officer and David A. Plecha, Global Head of Fixed Income, Dimensional Fund Advisors LP dated Feb. 15, 2024 (“Dimensional Fund Advisors Letter”); Michael Decker, Senior Vice President, Bond Dealers of America (“BDA”) dated Feb. 15, 2024 (“BDA Letter”); Sarah A. Bessin, Deputy General Counsel and Kevin Ercoline, Assistant General Counsel, Investment Company Institute dated Feb. 15, 2024 (“ICI Letter”); Kenneth E. Bentsen, Jr., President and CEO, Securities Industry and Financial Markets Association (“SIFMA”) dated Feb. 15, 2024 (“SIFMA Letter”); Howard Meyerson, Managing Director, Financial Information Forum (“FIF”) dated Feb. 15, 2024 (“FIF I Letter”); Gregory Babyak, Global Head of Regulatory Affairs, Bloomberg L.P. dated Feb. 16, 2024 (“Bloomberg Letter”); Melissa P. Hoots, CEO/COO, Falcon Square Capital, LLC dated Feb. 16, 2024 (“Falcon Square Capital Letter”); Matt Dalton, Chief Executive Officer, Belle Haven Investments, LP dated Feb. 16, 2024 (“Belle Haven Letter”); and Christopher A. Iacovella, President & Chief Executive Officer, American Securities Association (“ASA”) dated Feb. 16, 2024 (“ASA Letter”). After the close of the comment period, one commenter submitted a supplemental letter. See letter to Ms. Countryman, Commission, from Mr. Meyerson, FIF dated Feb. 26, 2024 (“FIF II Letter”). These comment letters are available at <https://www.sec.gov/comments/sr-msrb-2024-01/srmsrb202401.htm>.

rule change, which would otherwise be unworkable,³ while one commenter encouraged the MSRB to fully phase-out the exceptions.⁴ Commenters that expressed a view on the exception for dealers with limited trading activity generally viewed the proposed exception favorably.⁵ One commenter, however, argued that the proposed 1,800-trade threshold was far too low and requested that the MSRB either significantly expand the threshold or conduct further analysis to justify the 1,800 threshold.⁶ With respect to the manual trade exception, some commenters noted that the manual trade exception balances shortening reporting requirements while avoiding undue disruptions to the municipal securities market or materially impairing liquidity.⁷ However, one commenter argued that the MSRB had not provided any data to support a reduction in reporting time for manual trades or any evidence that firms that are currently reporting manually are not already reporting as soon as practicable.⁸ This commenter also maintained that the phase-in period could eliminate small firms which are incapable of meeting the phased-in time periods.⁹ Another commenter remained troubled by the language of the manual trade exception as it suggested the possibility of leading to further reductions or even the potential elimination of the manual trade exception.¹⁰ As a potential solution, commenters noted that the MSRB could

³ See, e.g., BDA Letter at 1; ICI Letter at 3; SIFMA Letter at 2; FIF I Letter at 2; Sanderlin Securities Letter at 5.

⁴ See Dimensional Fund Advisors Letter at 2.

⁵ See, e.g., SIFMA Letter at 9; BDA Letter at 2; Colwell Letter at 1; Falcon Square Capital Letter at 3; Belle Haven Letter at 6; FIF I Letter at 2. Another commenter, while not objecting to the exception, suggested that this exception be phased out over time. See Dimensional Fund Advisors Letter at 2.

⁶ See Falcon Square Capital Letter at 3.

⁷ See, e.g., ICI Letter at 2 n.4, 3; SIFMA Letter at 3–4 (noting that the proposed manual trade exception is an attempt to promote continued liquidity of the subject fixed-income markets).

⁸ See Belle Haven Letter at 7.

⁹ Id. at 5.

¹⁰ See ASA Letter at 2. This commenter also expressed concern for the possibility of further reductions or even the elimination of the manual trade exception might occur without being proposed for public comment. Id. The MSRB notes that this concern is misplaced since no further reductions in such timeframe, and no elimination of the manual trade exception, could be possible without additional formal rulemaking by the MSRB and filed with the Commission, and any such change would be subject to the required notice and comment process under Section 19 of the Exchange Act. 15 U.S.C. 78s.

collect data and conduct impact assessments prior to each phase-in period to ensure continued market integrity.¹¹

On April 22, 2024, the Commission instituted proceedings under Section 19(b)(2)(B) of the Securities Exchange Act of 1934 (“Exchange Act”)¹² to determine whether to approve or disapprove the proposed rule change and provided notice of the grounds for disapproval under consideration.¹³ The Commission received ten (10) comment letters regarding the Order Instituting Proceedings.¹⁴ Five (5) commenters expressed support for the exception for dealers with limited trading activity.¹⁵ With respect to the manual trade exception, two commenters noted that the MSRB could collect data and conduct impact assessments prior to each phase-in period of the manual trade exception to ensure continued market integrity.¹⁶

¹¹ See, e.g., SIFMA Letter at 6–7; ICI Letter at 3–4; BDA Letter at 3.

¹² 15 U.S.C. 78s(b)(2)(B).

¹³ See Exchange Act Release No. 100003 (Apr. 22, 2024), 89 FR 32485 (Apr. 26, 2024) (“Order Instituting Proceedings”).

¹⁴ See letters to Ms. Countryman, Commission, from: David C. Jaderlund dated Apr. 23, 2024 (“Jaderlund OIP Letter”); Ronald P. Bernardi, President and CEO, Bernardi Securities, Inc. dated May 14, 2024 (“Bernardi Securities OIP Letter”); Frank Fairman, Managing Director, Piper Sandler & Co. dated May 17, 2024 (“Piper Sandler OIP Letter”); Mr. Iacovella, ASA dated May 17, 2024 (“ASA OIP Letter”); Mr. Decker, BDA dated May 17, 2024 (“BDA OIP Letter”); Mark D. Griffin, Senior Vice President and Risk Control Manager, FHN Financial dated May 17, 2024 (“FHN OIP Letter”); Mr. Meyerson, FIF dated May 17, 2024 (“FIF OIP Letter”); Richard G. Wallace, Senior Vice President and Associate General Counsel, LPL Financial LLC dated May 17, 2024 (“LPL OIP Letter”); Lisa Gayle Melnyk dated May 17, 2024 (“Melnyk OIP Letter”); and Mr. Bentsen, SIFMA dated May 17, 2024 (“SIFMA OIP Letter”). These comment letters are available at <https://www.sec.gov/comments/sr-msrb-2024-01/srmsrb202401.htm>. The MSRB responded to the full range of comments received on the MSRB Filing Notice and Order Instituting Proceedings, together with certain other comments submitted to the MSRB touching on the original proposed rule change in response to an unrelated request for information, in a letter to Ms. Countryman, Commission, from Ernesto A. Lanza, Chief Regulatory and Policy Officer, MSRB dated July 18, 2024.

¹⁵ See Piper Sandler OIP Letter at 1; BDA OIP Letter at 2, 5; FHN OIP Letter at 2; FIF OIP Letter at 2; SIFMA OIP Letter at 7.

¹⁶ See SIFMA OIP Letter at 6–7 (noting uncertainty regarding the technological capability to meet the proposed phase-in timeframes, and requesting the MSRB to undertake ongoing monitoring, analysis and stakeholder engagement); ICI Letter at 3–4 (expressing concern regarding the potential impacts of implementing the proposed phase-in timeframes and requesting additional measures similar to those requested in the SIFMA OIP Letter).

Discussion of Amendment No. 1

Exception for Dealers with Limited Trading Activity. The MSRB reviewed the proposed 1,800-trade threshold in the definition of dealer with limited trading activity to consider the comments received with regard to the threshold and to confirm that the MSRB's exception was consistent with a comparable exception for members with limited trading activity included in a proposal similar to the proposed rule change filed with the Commission by the Financial Industry Regulatory Authority ("FINRA") to amend FINRA Rule 6730 on Transaction Reporting for fixed income securities in other markets (the "FINRA Proposed Rule Change").¹⁷ As described in the MSRB Filing Notice:

A threshold of 1,800 trades a year was selected to demonstrate that Dealers with Limited Trading Activity as a whole had a relatively small impact on the entire market and transparency, with approximately 98.5 percent of trades in 2022 conducted by Active Dealers collectively and only 1.5 percent of trades conducted by all Dealers with Limited Trading Activity. When calculating the market share by par value traded, Active Dealers conducted 98.2 percent of par value traded in 2022 while Dealers with Limited Trading Activity conducted only 1.8 percent of par value traded. In 2022, out of 647 dealers conducting at least one transaction in municipal securities 474 were Dealers with Limited Trading Activity and 173 were Active Dealers.¹⁸

The MSRB explained in the MSRB Filing Notice that the proportion of trades in municipal securities conducted by dealers with limited trading activity is aligned with the proportion of aggregate trades conducted by dealers with limited trading activity in TRACE-eligible securities subject to the FINRA Proposed Rule Change when using FINRA's annual transactions threshold of 4,000 trades.¹⁹

Upon further review of the methodology used for proposing a 1,800-trade threshold for qualifying for the dealer with limited trading activity exception in the original proposed rule change, the MSRB has determined to increase the threshold to 2,500 trades based on a modification of its methodology described below. In establishing the original proposed threshold of 1,800 trades, the MSRB had used an approach consistent with other instances where MSRB rules and related transparency activities are based on inter-dealer trade activity that rely solely on

¹⁷ See Exchange Act Release No. 99404 (Jan. 19, 2024), 89 FR 5034 (Jan. 25, 2024).

¹⁸ MSRB Filing Notice, 89 FR at 5395 (footnotes omitted).

¹⁹ Id. at 5395 n.70. Under the FINRA Proposed Rule Change, proposed Supplementary Material .08(a) of FINRA Rule 6730 would define a member with "limited trading activity" as a member that, during one of the prior two calendar years, reported to TRACE fewer than 4,000 transactions in TRACE-Eligible Securities that are subject to paragraph (a)(1)(A) through (a)(1)(D) of FINRA Rule 6730, as proposed to be amended. See FINRA Proposed Rule Change, 89 FR at 5036.

the sell-side inter-dealer trade reports so as to avoid, for those specific purposes, potential double counting if both the sell-side and buy-side were to be used. For example, the manner in which the MSRB disseminates trade reports for compared inter-dealer trades and assesses its transaction and trade count fees for inter-dealer trades under MSRB Rule A-13(d) is based solely on sell-side trade reports.²⁰ As a result, the calculations discussed in the MSRB Filing Notice underlying the 1,800-trade threshold in the proposed definition of “dealer with limited trading activity” resulted in a lower threshold and did not fully account for inter-dealer trade reports since only the sell-side inter-dealer trade reports were taken into account. In order to maintain comparability with FINRA’s threshold in its proposed definition of “member with limited trading activity” and in light of the plain meaning of the language of the MSRB’s proposed definition of “dealer with limited trading activity,” the MSRB has recalculated the appropriate threshold for such definition to be 2,500 trades, taking into account both sell-side and buy-side inter-dealer trade reports together with reports of dealer trades with customers, regardless of whether the dealer bought or sold in the customer transaction.²¹ Amendment No. 1 would incorporate this new threshold by replacing “1,800” with “2,500” in the definition of dealer with limited trading activity in proposed Rule G-14 RTRS Procedures subparagraph (d)(xi). In addition, Amendment No. 1 would add clarifying language to reflect that the threshold is based on both sell-side and buy-side inter-dealer and customer trade reports. Thus, as proposed to be amended by this Amendment No. 1, proposed subparagraph (d)(xi) of Rule G-14 RTRS Procedures would define a dealer with limited trading activity as a dealer that, during at least one of the prior two consecutive calendar years, reported to an RTRS Portal fewer than 2,500 (rather than 1,800) purchase or sale transactions with customers or other dealers, excluding certain exempted transactions as specified therein.

This proposed new threshold would maintain the intended alignment between the proportion of trades in municipal securities conducted by dealers with limited trading activity with the proportion of trades conducted by members with limited trading activity in TRACE-eligible securities subject to the FINRA Proposed Rule Change. This proposed new threshold would continue to account for only a very small portion of the market volume and therefore

²⁰ The use of only the sell-side inter-dealer trade report (and not the buy-side trade report) for dissemination through RTRS avoids having a single inter-dealer trade characterized as two separate trades in publicly disseminated RTRS data. The billing of the transaction and trade count fees only on the sell-side inter-dealer trade report (and not the buy-side trade report) for a particular inter-dealer trade avoids imposing a doubled fee burden on such individual trade.

²¹ Reports of dealer trades with customers, regardless of whether the dealer bought or sold in the transaction, were included in the original methodology and continue to be included in the revised methodology. Based on this change in methodology, the total number of trade reports in 2022 has changed to 16.8 million when counting both the buy-side and the sell-side trades for inter-dealer trades. Previously, when only counting the sell side trades for inter-dealer trades, the total number of reported trades in 2022 was 12.1 million. This change has contributed to modifications to certain data included in the original proposed rule change, as shown in the tables under the heading “Recomputed and Revised Tables 1–5 in the Original Proposed Rule Change,” [infra](#).

would have minimal impact on overall trading. The revised number of transactions under this Amendment No. 1 would be expected to continue to capture approximately 1.5 percent of the trades in the municipal securities markets in a given calendar year, based on transaction data from calendar year 2022. The revision to the proposed definition of dealer with limited trading activity does not have a material impact on the MSRB's economic analysis included in the original proposed rule change, based on the comparative sensitivity analysis on the threshold provided below that demonstrates no material impact to the percentage of the trades, par value of trades or number of dealers impacted.

Exception for Trades with a Manual Component. In light of concerns expressed by commenters regarding potential difficulties in achieving dramatically shortened reporting timeframes for at least some trades with a manual component and whether dealers would have sufficient time to make the necessary changes to processes and technology to achieve such shortened timeframes, the MSRB has determined to modify the pace of phasing-in the shortened reporting timeframe for trades with a manual component to extend the period during which such trades would be reportable by no later than 10 minutes after the Time of Trade from one year to two years.

Amendment No. 1 would, in part, amend proposed Supplementary Material .02(b) to provide in clause (ii) that a trade with a manual component must be reported no later than 10 minutes after the Time of Trade for the second and third calendar years (rather than only the second year) from the effective date of the proposed rule change and to provide in clause (iii) that a trade with a manual component would become reportable no later than five minutes after the Time of Trade after the conclusion of the third calendar year (rather than the second calendar year) from the effective date of the proposed rule change.

The proposed rule change sets out a phased-in implementation of the exception for manual trades that would provide for an ultimate five-minute timeframe for the reporting of such trades. No further reductions in such timeframe, and no elimination of the manual trade exception, could be possible without additional formal rulemaking by the MSRB that would be filed with the Commission, and any such change would be subject to the required notice and comment process under Section 19 of the Exchange Act.²²

Furthermore, the MSRB would monitor the implementation of the proposed rule change and, going forward, would analyze trade data related to the operation of the proposed two new exceptions to, among other things, determine whether the eventual five-minute trade reporting timeframe that would become applicable after two years continues to be feasible and appropriate in light of the empirical data collected through the earlier phases of implementation. The MSRB would be prepared to take action to provide appropriate guidance or undertake appropriate modifications in connection with the phase-in of the manual trade exception should circumstances warrant any such action, including, but not limited to potentially filing a proposed rule change to extend the implementation period for the eventual five-minute timeframe for trades with a manual component.

²² 15 U.S.C. 78s.

Amendment No. 1 would provide for a modified phase-in of the shortened reporting timeframe for trades with a manual component that the MSRB believes would foster a more orderly transition to more rapid reporting of manual trades. In addition, as noted above, Amendment No. 1 would allow the MSRB to undertake a more meaningful and timely analysis of potential impacts of the intermediate 10-minute reporting stage in the phase-in process. Specifically, the extended timeframe would provide more time and data for the MSRB to understand whether any adverse impacts have developed as a result of the shortened reporting timeframe to 10 minutes so that the MSRB can determine whether it should undertake additional rulemaking to modify implementation or phase-in of the final step to a five-minute timeframe.

Recomputed and Revised Tables 1–5 in the Original Proposed Rule Change; No Material Impact on Economic Analysis

Section 4 of the MSRB Filing Notice, relating to the Self-Regulatory Organization’s Statement on Burden on Competition, included five tables that provided the results of analysis relevant to the economic analysis undertaken in connection with the original proposed rule change. The MSRB has recomputed the analysis for Tables 1–5 included in the MSRB Filing Notice with respect to the original proposed rule change based on the change in methodology described above and provides a sensitivity analysis on the new dividing line based on 2021 and 2022 trade data and a comparison with the previous 1,800 threshold. The original and revised numbers are provided below, comparing the previous and new cut off lines, and the original and recomputed tables appear thereafter for side-by-side comparison, and demonstrate that there was no material impact to the economic analysis or conclusions made in the original proposed rule change. In addition, the MSRB has determined that the proposed modified phase-in of the shortened reporting timeframe for trades with a manual component would not materially adversely impact the economic analysis contained in the original proposed rule change. Further, the modified phase-in would afford the MSRB greater opportunities to identify and potentially address any adverse impacts or burdens of the phase-in of the manual trade exception.

Comparison of the Previous and New Proposed Threshold Based on 2021 and 2022 Trade Data

Dealer Group	Cutoff Line	Market Share of Trades	Market Share of Par Value Traded	Number of Firms
Previous Threshold				
Active Dealers	1,800 Trades	98.55%	98.18%	173
Dealers With Limited Trading Activity		1.45%	1.82%	474
New Threshold				
Active Dealers	2,500 Trades	98.59%	97.72%	175
Dealers with Limited Trading Activity		1.41%	2.28%	476

As discussed above, Amendment No. 1 would modify the threshold for qualifying as a dealer with limited trading activity from 1,800 to 2,500 trades (including both sell-side and buy-side inter-dealer trade reports, as well as customer trade reports), while continuing to capture a comparable proportion of municipal securities trades (1.5 percent as described in the original proposed rule change as compared to 1.4 percent under this Amendment No. 1 or, more specifically, 1.45 percent with a threshold of 1,800 trades as compared to 1.41 percent with a threshold of 2,500 trades).

The expected impact of this Amendment No. 1 is consistent with and continues to provide support for the MSRB's analysis of the burden on competition and the MSRB's prior economic analysis included in the MSRB Filing Notice. The modified limited trading activity exception threshold of 2,500 trades does not result in a material change to the relative trade report time by trade size as illustrated in recomputed Table 1, as smaller trades continue to be reported significantly faster than larger trades. The number of trades executed within one minute increased by 4.4 percent from 73.7 percent to 78.1 percent.

The total number of dealers that would, based on 2022 trade data, qualify as dealers with limited trading activity changed from 647 dealers under the original proposed rule change, as shown in the previous Table 2, to 651 dealers as a result of Amendment No. 1, as shown in the recomputed Table 2. This is because the inclusion of the buy-side trade reports introduced a few dealers to the analysis that had only purchased municipal securities through inter-dealer trades.²³

²³ In some instances, the additional dealers are affiliates of dealers that had already been included in the analysis under the original proposed rule change.

Table 1. Trade Report Time by Trade Size – Cumulative Percentages					
Previous Table 1					
	January 2022 to December 2022				
Difference Between Execution and Reported Time	All Trades	\$100,000 or Less	> \$100,000 - \$1,000,000	> \$1,000,000 - \$5,000,000	>\$5,000,000
15 Seconds	24.9%	26.5%	18.1%	7.9%	3.6%
30 Seconds	49.5%	51.8%	40.8%	21.6%	11.5%
1 Minute	73.7%	76.2%	65.5%	38.4%	23.1%
2 Minutes	88.5%	90.2%	83.6%	62.4%	46.7%
3 Minutes	91.9%	93.0%	89.1%	73.4%	60.7%
5 Minutes	97.0%	97.7%	95.4%	85.3%	76.0%
10 Minutes	98.6%	98.9%	97.8%	93.8%	89.0%
15 Minutes	98.9%	99.2%	98.3%	95.7%	91.9%
30 Minutes	99.5%	99.6%	99.1%	97.5%	94.0%
1 Hour	99.5%	99.6%	99.2%	97.7%	94.6%
> 1 Hour	100.0%	100.0%	100.0%	100.0%	100.0%
Market Share of Eligible Trades	100.0%	84.2%	13.1%	2.1%	0.6%
Revised Table 1 (Including Both Sides of Inter Dealer Trades)					
Difference Between Execution and Reported Time	All Trades	\$100,000 or Less	> \$100,000 - \$1,000,000	> \$1,000,000 - \$5,000,000	>\$5,000,000
15 Seconds	24.8%	26.3%	18.1%	8.0%	3.7%
30 Seconds	52.7%	55.0%	43.1%	23.6%	12.9%
1 Minute	78.1%	80.5%	69.1%	41.4%	24.9%
2 Minutes	92.0%	93.7%	86.4%	65.4%	48.8%
3 Minutes	95.7%	96.8%	92.7%	77.3%	63.7%
5 Minutes	97.9%	98.4%	96.5%	88.2%	79.0%
10 Minutes	99.3%	99.5%	98.8%	96.2%	91.7%
15 Minutes	99.6%	99.7%	99.3%	98.0%	94.6%
30 Minutes	99.7%	99.8%	99.5%	98.6%	95.4%
1 Hour	99.8%	99.8%	99.6%	98.8%	96.0%
> 1 Hour	100.0%	100.0%	100.0%	100.0%	100.0%
Market Share of Eligible Trades	100.0%	83.2%	12.6%	3.7%	0.5%

Table 2. Trade Reporting Time by Level of Dealer Activity					
Previous Table 2					
	Percent of Trades Reported Within One Minute	Percent of Trades Reported Within Ten Minutes	Market Share of Trades	Market Share of Par Value Traded	Number of Firms
Firms that accounted for 1,800 trades or more (Active Dealers)	77.2%	99.3%	98.5%	98.2%	173
Firms that accounted for less than 1,800 trades (Dealers with Limited Trading Activity)	47.5%	96.8%	1.5%	1.8%	474
Revised Table 2					
	Percent of Trades Reported Within One Minute	Percent of Trades Reported Within Ten Minutes	Market Share of Trades	Market Share of Par Value Traded	Number of Firms
Firms that accounted for 2,500 trades or more (Active Dealers)	78.5%	99.3%	98.6%	97.7%	175
Firms that accounted for less than 2,500 trades (Dealers with Limited Trading Activity)	46.2%	96.6%	1.4%	2.3%	476

Table 3. Illustration of Hypothetical Benefit Based on 2022 Trading Volume Basis Points in Price			
Previous Table 3			
	Benefit - Investors		Benefit - Dealers
	Reduction in Effective Spread (in Basis Points)	Annual Effective Spread Savings for Investors	Gain from Additional Customer Trading Volume
2005: 15-Minute Trade Reporting			
Benefit for All Trades	11 to 28		
2023 Proposal: One-Minute Trade Reporting			
Hypothetical Scenario 1 - Benefit for Sub-\$1,000,000 Par Value Trades Only	5.0	\$126,472,000	\$2,954,000
Hypothetical Scenario 2 - Benefit for \$100,000 Par Value Trades or Lower Only	5.0	\$49,044,000	\$981,000
Revised Table 3²⁴			
	Benefit - Investors		Benefit - Dealers
	Reduction in Effective Spread (in Basis Points)	Annual Effective Spread Savings for Investors	Gain from Additional Customer Trading Volume
2005: 15-Minute Trade Reporting			
Benefit for All Trades	11 to 28		
2023 Proposal: One-Minute Trade Reporting			
Hypothetical Scenario 1 - Benefit for Sub-\$1,000,000 Par Value Trades Only	5.0	\$126,472,000	\$2,954,000
Hypothetical Scenario 2 - Benefit for \$100,000 Par Value Trades or Lower Only	5.0	\$49,044,000	\$1,200,000

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The MSRB revised up the revenue gain for dealers from \$981,000 to \$1.2 million in “Hypothetical Scenario 2 - Benefit for \$100,000 Par Value Trades or Lower Only” due to a previous calculation error. The calculation error was not related to the changing of the threshold for Dealers with Limited Trading Activity.

Table 4. Estimate of Upfront and Ongoing Costs Based on 2022 Trading Volume		
Previous Table 4		
	Upfront Cost - Policies and Procedures	Annual Ongoing Costs - Technology Subscription
One-Minute Reporting for Active Dealers and 15-Minute Reporting for Dealers with Limited Trading Activity	\$5,123,000	\$6,560,000
Revised Table 4		
	Upfront Cost - Policies and Procedures	Annual Ongoing Costs - Technology Subscription
One-Minute Reporting for Active Dealers and 15-Minute Reporting for Dealers with Limited Trading Activity	\$5,159,000	\$6,840,000

Table 5. Trade Report Time for Estimated Manual Trades from Active Dealers				
Previous Table 5			Revised Table 5	
Difference Between Execution and Reported Time	All Trades		Difference Between Execution and Reported Time	All Trades
2 Minutes	64.6%		2 Minutes	64.5%
3 Minutes	80.9%		3 Minutes	81.3%
5 Minutes	90.4%		5 Minutes	90.8%
10 Minutes	96.9%		10 Minutes	96.8%
15 Minutes	98.2%		15 Minutes	98.0%

Request for Accelerated Approval of Amendment No. 1

The MSRB believes the Commission has good cause, pursuant to Section 19(b)(2) of the Exchange Act,²⁵ for granting accelerated approval of Amendment No. 1 in conjunction with the approval of the proposed rule change as a whole. Specifically, this modification to the original proposed rule change maintains the same material level of market activity that was expected to be captured by the exception for dealers with limited trading activity and, in effect, constitutes a

²⁵ 15 U.S.C. 78s(b)(2).

technical adjustment to the rule language that maintains the intended impact of the exception, which the commenters on the original proposed rule change viewed favorably.²⁶

The changes made by Amendment No. 1 to the text of the original proposed rule change are contained in Exhibit 4. The text proposed to be added is underlined, and the text proposed to be deleted is enclosed in brackets.

The text of the proposed rule change is attached as Exhibit 5. The text proposed to be added is underlined, and the text proposed to be deleted is enclosed in brackets.

²⁶ See, e.g., SIFMA Letter at 9; BDA Letter at 2; Colwell Letter at 1; Falcon Square Capital Letter at 3; Belle Haven Letter at 6; FIF I Letter at 2. See also BDA OIP Letter at 2–3; SIFMA OIP Letter at 3.

Rule G-14: Reports of Sales or Purchases

(a) - (b) No change.

Rule G-14 RTRS Procedures

(a) - (c) No change.

(d) Definitions.

(i) - (x) No change.

(xi) A dealer with “limited trading activity” is a dealer that, during at least one of the prior two consecutive calendar years, reported to an RTRS Portal fewer than 2,500 [1,800] purchase or sale transactions with customers or other dealers, excluding transactions exempted under Rule G-14(b)(v) and transactions specified in Rule G-14 RTRS Procedures paragraph (a)(ii)(A)-(B).

(xii) No change.

Supplementary Material

.01 No change.

.02 Exception from the One-Minute Reporting Requirement for Manual Trades. As described below, a dealer is excepted from the one-minute reporting requirement of this rule with respect to a “trade with a manual component”.

(a) No change.

(b) Except for a transaction qualifying for another exception from the one-minute reporting requirement pursuant to RTRS Procedures paragraph (a)(ii)(A)-(B) or (a)(ii)(C)(1), a dealer relying on the exception for a “trade with a manual component” in this Supplementary Material .02 must report the transaction as soon as practicable but not later than within the applicable time period set forth below:

(i) No change.

(ii) 10 Minutes. For the second and third calendar years from the effective date of this Supplementary Material .02, the transaction must be reported no later than 10 minutes after the Time of Trade; or

(iii) 5 Minutes. Following the conclusion of the third [second] calendar year from the effective date of this Supplementary Material .02, the transaction must be reported no later than 5 minutes after the Time of Trade.

.03 No change.

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Rule G-12: Uniform Practice

No change.

* * * * *

IF-1: Real-Time Transaction Reporting and Price Dissemination (The "Real-Time Transaction Reporting System" or "RTRS")

No change.

Rule G-14: Reports of Sales or Purchases

(a) - (b) No change.

Rule G-14 RTRS Procedures

(a) General Procedures.

(i) No change.

(ii) Transactions effected with a Time of Trade during the hours of the RTRS Business Day shall be reported as soon as practicable but no later than [within 15 minutes of] one minute after the Time of Trade to an RTRS Portal except in the following situations:

(A) End of Trade Day Reporting Exceptions.

[(A)] (1) “List Offering Price/Takedown Transaction,” as defined in paragraph (d)(vii) of Rule G-14 RTRS Procedures, shall be reported by the end of the day on which the trade is executed.

[(B)] (2) A dealer effecting trades in short-term instruments maturing in nine months or less, variable rate instruments that may be tendered for purchase at least as frequently as every nine months, auction rate products for which auctions are scheduled to occur at least as frequently as every nine months, and commercial paper maturing or rolling-over in nine months or less shall report such trades by the end of the RTRS Business Day on which the trades were executed.

[(C)] (3) A dealer reporting an “away from market” trade as described in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions shall report such trade by the end of the day on which the trade is executed.

(B) Post-Trade Day Reporting Exceptions.

[(D)] (1) A dealer reporting an inter-dealer “VRDO ineligible on trade date” as described in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions shall report such trade by the end of the day on which the trade becomes eligible for automated comparison by a clearing agency registered with the Commission.

[(E)] (2) A dealer reporting an inter-dealer “resubmission of an RTTM cancel” as described in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions shall resubmit identical information about the trade cancelled by the end of the RTRS Business Day following the day the trade was cancelled.

(C) Intra-Trade Day Reporting Exceptions.

(1) A dealer with “limited trading activity” as defined in paragraph (d)(xi) of Rule G-14 RTRS Procedures must report its trades within the time period specified in Supplementary Material .01 of this rule.

(2) A dealer reporting a “trade with a manual component” as defined in paragraph (d)(xii) of Rule G-14 RTRS Procedures must report the trade within the time periods specified in Supplementary Material .02 of this rule.

(iii) Transactions effected with a Time of Trade outside the hours of the RTRS Business Day, or transactions that are inter-dealer “invalid RTTM trade date” as described in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions, shall be reported no later than 15 minutes after the beginning of the next RTRS Business Day.

(iv) Transaction data that is not submitted in a timely and accurate manner in accordance with these Procedures shall be submitted or corrected as soon as possible. Transactions not reported within the specified timeframe will be designated as “late.” A pattern or practice of late reporting without exceptional circumstances or reasonable justification may be considered a violation of this rule.

(v) - (vi) No change.

(b) Reporting Requirements for Specific Types of Transactions.

(i) - (iii) No change.

(iv) *Transactions with Special Conditions.* Reports of transactions affected by the special conditions described in the RTRS Users Manual in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions shall be reported with the “special condition indicators” [shown] described, and in the manner specified, therein and as follows:[.]

(A) Conditionally Optional Special Condition Indicators. The following [S]special condition indicators designated as “optional” in Section 4.3.2 of the [these] Specifications for Real-Time Reporting of Municipal Securities Transactions are nonetheless required for the Submitter to obtain the corresponding [an] extended reporting deadline[under paragraphs (a)(ii)(B)–(C) of Rule G-14 RTRS Procedures], but may be omitted if a deadline extension is not claimed[.], including:

(1) a “short term instrument exception” indicator for transactions identified in paragraph (a)(ii)(A)(2) of Rule G-14 RTRS Procedures; and

(2) an inter-dealer “resubmission of an RTTM cancel” indicator for resubmissions of transactions identified in paragraph (a)(ii)(B)(2) of Rule G-14 RTRS Procedures.

(B) Mandatory Special Condition Indicators. All other special condition indicators are mandatory regardless of whether the Submitter seeks to obtain an available extended reporting deadline, including:

(1) the List Offering Price/Takedown Transaction indicator for transactions identified in paragraph (a)(ii)(A)(1) of Rule G-14 RTRS Procedures;[,]

(2) an “away from market” indicator for transactions identified in paragraph (a)(ii)(A)(3) of Rule G-14 RTRS Procedures;

(3) an inter-dealer “VRDO ineligible on trade date” indicator for transactions identified in paragraph (a)(ii)(B)(1) of Rule G-14 RTRS Procedures;

(4) a “trade with a manual component” indicator for transactions identified in paragraph (a)(ii)(C)(2) of Rule G-14 RTRS Procedures;

(5) a “traded flat” indicator for securities traded on terms that do not include accrued interest as described in the RTRS Users Manual in Section 4.3.2 of the Specifications for Real-Time Reporting of Municipal Securities Transactions;

(6) an “alternative trading system transaction” indicator for transactions defined in paragraph (d)(ix) of Rule G-14 RTRS Procedures;[,] and

(7) a “non-transaction-based compensation arrangement” indicator for transactions defined in paragraph (d)(x) of Rule G-14 RTRS Procedures.

(c) No change.

(d) Definitions.

(i) - (x) No change.

(xi) A dealer with “limited trading activity” is a dealer that, during at least one of the prior two consecutive calendar years, reported to an RTRS Portal fewer than 2,500 purchase or sale transactions with customers or other dealers, excluding transactions exempted under Rule G-14(b)(v) and transactions specified in Rule G-14 RTRS Procedures paragraph (a)(ii)(A)–(B).

(xii) A “trade with a manual component” means for the purposes of this rule a transaction that is manually executed or where the dealer must manually enter any of the trade details or information necessary for reporting the trade directly into an RTRS Portal or into a system that facilitates trade reporting to an RTRS Portal.

Supplementary Material

.01 Exception from the One-Minute Reporting Requirement for Dealers with Limited Trading Activity. As described below, dealers with “limited trading activity” are excepted from the one-minute reporting requirement of this rule.

(a) A dealer relying on the exception in this Supplementary Material .01 shall confirm on an annual basis that it meets the criteria for a dealer with “limited trading activity” as set forth in paragraph (d)(xi) of Rule G-14 RTRS Procedures. If a dealer no longer meets these criteria as of the beginning of a calendar year, such dealer must comply with the one-minute reporting requirement of Rule G-14 RTRS Procedures paragraph (a)(ii) on and after April 1 of such calendar year.

(b) Except for a transaction qualifying for an exception from the one-minute reporting requirement pursuant to Rule G-14 RTRS Procedures paragraph (a)(ii)(A)–(B), a dealer reporting a transaction in reliance on the exception for dealers with “limited trading activity” in this Supplementary Material .01 must report the transaction as soon as practicable but no later than 15 minutes after the Time of Trade.

.02 Exception from the One-Minute Reporting Requirement for Manual Trades. As described below, a dealer is excepted from the one-minute reporting requirement of this rule with respect to a “trade with a manual component”.

(a) In no event may a dealer purposely delay the execution of an order, introduce any manual steps following the Time of Trade, or otherwise modify any steps to execute or report the trade by handling a trade manually to delay reporting if such actions are for the purpose of claiming this exception.

(b) Except for a transaction qualifying for another exception from the one-minute reporting requirement pursuant to RTRS Procedures paragraph (a)(ii)(A)–(B) or (a)(ii)(C)(1), a dealer relying on the exception for a “trade with a manual component” in this Supplementary Material .02 must report the transaction as soon as practicable but not later than within the applicable time period set forth below:

(i) 15 Minutes. For a period of one calendar year from the effective date of this Supplementary Material .02, the transaction must be reported no later than 15 minutes after the Time of Trade;

(ii) 10 Minutes. For the second and third calendar years from the effective date of this Supplementary Material .02, the transaction must be reported no later than 10 minutes after the Time of Trade; or

(iii) 5 Minutes. Following the conclusion of the third calendar year from the effective date of this Supplementary Material .02, the transaction must be reported no later than 5 minutes after the Time of Trade.

.03 Policies and Procedures For Complying With As Soon As Practicable Reporting Requirement.

(a) Each dealer with an obligation to report a transaction “as soon as practicable” pursuant to Rule G-14 RTRS Procedures must adopt policies and procedures reasonably designed to comply with the “as soon as practicable” standard by implementing systems that commence the trade reporting process without delay upon execution. Where a dealer has reasonably designed policies, procedures and systems in place, the dealer generally will not be viewed as violating the “as soon as practicable” requirement because of delays in trade reporting due to extrinsic factors that are not reasonably predictable and where the dealer does not purposely intend to delay the reporting of the trade. Dealers must not purposely withhold trade reports, for example, by programming their systems to delay reporting until the last permissible minute or by otherwise delaying reports to just before the deadline if it would have been practicable to report such trades more rapidly.

(b) Because the trade reporting process for trades with a manual component may not be completed as quickly as, for example, where an automated trade reporting system is used, it is expected that the regulatory authorities that enforce and examine dealers for compliance with the “as soon as practicable” requirement will take into consideration the manual nature of the dealer's trade reporting process in determining whether the dealer’s policies and procedures are reasonably designed to report the trade “as soon as practicable” after execution.

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Rule G-12: Uniform Practice

(a) - (e) No change.

(f) Use of Automated Comparison, Clearance, and Settlement Systems

(i) Notwithstanding the provisions of sections (c) and (d) of this rule, an Inter-Dealer Transaction Eligible for Comparison by a Clearing Agency Registered with the Commission (registered clearing agency) shall be compared through a registered clearing agency. Each party to such a transaction shall submit or cause to be submitted to a registered clearing agency all information and instructions required from the party by the registered clearing agency for automated comparison of the transaction to occur. Each transaction effected during the RTRS Business Day shall be submitted for comparison [within 15 minutes] as soon as practicable but no later than one minute after [of] the Time of Trade, unless the transaction is subject to an exception specified in the Rule G-14 RTRS Procedures paragraph (a)(ii), in which case it shall be submitted for comparison in the time frame [specified] described in the Rule G-14 RTRS Procedures paragraph (a)(ii). Transactions effected outside the hours of an RTRS Business Day shall be submitted no later than 15 minutes after the beginning of the next RTRS Business Day. In the event that a transaction submitted to a registered clearing agency for comparison in accordance with the requirements of this paragraph (i) shall fail to compare, the party submitting such transaction shall, as soon as possible, use the procedures provided by the registered clearing agency in connection with such transaction until such time as the transaction is compared or final notification of a failure to compare the transaction is received from the contra-party. A broker,

dealer or municipal securities dealer ("dealer") that effects inter-dealer transactions eligible for comparison by a clearing agency registered with the Commission shall ensure that submissions made against it in the comparison system are monitored for the purpose of ensuring that correct trade information alleged against it is acknowledged promptly and that erroneous information alleged concerning its side of a trade (or its side of a purported trade) is corrected promptly through the procedures of the registered securities clearing agency or the MSRB.

(ii) - (iv) No change.

(g) - (j) No change.

* * * * *

IF-1: Real-Time Transaction Reporting and Price Dissemination (The "Real-Time Transaction Reporting System" or "RTRS")

RTRS Functionality

Lateness Checking. The time taken to report the trade is measured by comparing the [t]Time of [t]Trade reported by the dealer with the timestamp assigned by RTTM or RTRS. The submitter may [has the option to]include an appropriate indicator in the trade report, that shows that the submitter believes an extended reporting deadline set forth in Rule G-14 applies to the trade report, otherwise RTRS assesses each trade for timeliness by comparing the timestamp against the applicable [15-minute] reporting deadline and any exceptions specified by [provided for in] Rule G-14. Trade reports not received by the [appropriate] applicable reporting deadline are considered late. If a trade is reported late, an error message indicating this fact is sent to the submitter. RTRS produces statistics on dealer performance related to the timely submission of transactions and timely correction of errors and provides these statistics to dealers, as well as to regulators.

Transaction Dissemination by RTRS

No change.

MSRB Real-Time Transaction Data Subscription Service

No change.

MSRB Comprehensive Transaction Data Subscription Service

No change.

MSRB Historical Transaction Data Product

No change.

MSRB Academic Historical Transaction Data Product

No change.