Specifications for Real-time Reporting of Municipal Securities Transactions

Red-line of Version 1.2.1

Municipal Securities Rulemaking Board

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PREFACE

Unchanged.

1. INTRODUCTION TO REAL-TIME TRADE REPORTING

Unchanged.

1.1 Message-Based and Web-Based Data

Unchanged.

1.2 Business Rules for Regulatory Reporting

Unchanged.

1.2.1. Issues that Must be Reported

Unchanged.

1.2.2. Deadlines for Reporting

As described in the Preface to this specification, trades in municipal securities will be required to be reported to RTRS within 15 minutes of the time of trade, with the following exceptions:

- ~~Syndicate managers and syndicate members that effect trades in new issues at the List Offering Price may report such trades by the end of the first day of trading in the issue.~~

- Dealers shall report "List Offering Price/Takedown Transactions" by the end of the day on which the transactions are executed. "List Offering Price/Takedown Transaction" means a primary market sale transaction executed on the first day of trading of a new issue: (a) by a sole underwriter, syndicate manager, syndicate member or selling group member at the published list offering price for the security ("List Offering Price Transaction"); or (b) by a sole underwriter or syndicate manager to a syndicate or selling group member at a discount from the published list offering price for the security ("RTRS Takedown Transaction").

- Note: If a transaction is executed at a price that is not publicly disseminated (*e.g.*, if the security is a "not reoffered" maturity within a serial issue), the transaction is not a "List Offering Price/Takedown Transaction."

- On a temporary basis, a dealer may report trades within three hours of the time of trade if the CUSIP number and indicative data of the issue traded are not in the dealer's securities master file, the dealer has not traded the issue in the previous year, and the dealer is not a syndicate manager or syndicate member for the issue. This provision will cease to be effective on December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.

Refer to section 4.3.2 for details on how to indicate to the MSRB that a trade is eligible for an exception to the 15-minute reporting requirement. Trade reports must be coded with an appropriate Special Condition Indicator to receive an exception to the 15-minute reporting requirement.

(The remainder of Section 1.2.2 is unchanged.)

1.2.3 Trading Capacity

Unchanged.

1.3 New Procedures

Unchanged.

2. INTERACTIVE MESSAGE GUIDELINES

Unchanged.

3. COMMUNICATIONS OVERVIEW

Unchanged.

4. MESSAGE SPECIFICATIONS

Unchanged.

4.1 Message Format Guidelines

Unchanged.

4.2 MT515 Message

Unchanged.

4.3 Explanation of Selected Fields

4.3.1. Dollar Price, Yield, Accrued Interest and Settlement Amount

Unchanged.

4.3.2 Other Fields

Sender

Unchanged.

Header Fields: Other

Unchanged.

Trade Transaction Type Indicator

Use "CASH" for two-sided (bilateral) and customer trades. Use "TRLK" (locked-in) for Qualified Special Representative (QSR) and inter-dealer regulatory only (IDRO) trades. Use "TRDC" for Syndicate (demand) trades.

Note: Code "TRTR/GSCC/TRDC" is a separate and distinct indicator from the "List Offering Price/ Takedown Transaction" Special Condition Indicator (code "SPXR"). See "MT515 Field Specifications" table in Section 4.2.1.

Reference

Unchanged.

Processing Indicator

Unchanged.

Trade Instruction Processing Narrative

(All fields unchanged except the following:)

SPXR – Special Condition Indicator. This is a dual purpose code that is used to indicate: (a) that a trade is eligible for an extended report time (*i.e.,* a reporting deadline other than the 15-minute requirement), and/or (b) that a trade was done at a price away from the market or that a bond was traded flat. Since these conditions may apply independently of one another, a different position within the four-character code is used to indicate each condition.

The Special Condition Indicator is formatted as Mcc0, where the first character is "M" (municipal) , the last character is "0" (reserved for future use), and the second and third characters "c" are integers that indicate the conditions above. See Appendix B.2 for all values of this code.

If two exceptions to the 15-minute reporting deadline apply, use the longer exception. For example, if a dealer executes a transaction that qualifies for the three hour exception ("Mc10") in a short-term instrument under nine months in effective maturity, and the transaction also qualifies for an end-of-day exception ("Mc30"), it must be reported by the end of the day. If the trade has neither a deadline exception nor a special price, omit the Special Condition Indicator.

A List Offering Price/Takedown Transaction in a short-term instrument (i.e. qualifying for both "Mc20" and "Mc30" as shown in (A) below) must be coded using the List Offering Price/Takedown indicator ("Mc20") rather than the Short-Term Instrument Special Condition Indicator ("Mc30").

If the trade has a special price or if it is subject to an extended report time, indicate the deadline using the third character. (Business rules for reporting deadlines are described above, section 1.2.2.)

> 0: Special condition exists, 15-minute requirement applies. Example: M100.
>
> 1: 3-hour deadline applies – issue not traded within the previous year. Example: M010.
>
>> Note: This exception to the 15-minute reporting deadline will cease to be effective on December 31, 2007 for when, as and if issued transactions and December 29, 2006 for all other transactions.
>
> 2: End-of-day deadline applies – List Offering Price/Takedown Transaction as defined in section 1.2.2. Example: M020.
>
>> Note: This indicator is mandatory if the conditions named in Section 1.2.2 apply.
>
> 3: End-of-day deadline applies – trade in variable rate or auction rate product or commercial paper. Example: M030.

(The remainder of Section 4.3 is unchanged.)

4.4 MT509 Message

Unchanged.

Appendix B:
Code Tables

# APPENDIX B.1: RTRS ERROR CODES

Unchanged.

APPENDIX B.2: OTHER RTRS CODE TABLES

## Special Condition Indicator (Previously 'Special Price Reason Code')

The following chart displays all currently valid Special Condition Indicators. It replaces the corresponding chart in previous versions of the Specifications.

The conditions in the rows indicate a trade that is eligible for an exception to the 15-minute reporting deadline (the third character of the Special Condition Indicator). The conditions in the columns indicate a trade that is executed at a price that is away from the market price at the time of the trade's execution (the second character of the Special Condition Indicator).

	No Special Price	Flat	Away from Market - Extraordinary Settlement	Away from Market - Other Reason
15 Minute Reporting		M100	M200	M900
Not in Security Master, WI (3 Hr)	M010	M110	M210	M910
LOP/TD Transaction (EOD)	M020	M120	M220	M920
Short Term (EOD)	M030	M130	M230	M930
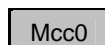
Mcc0   Mandatory - If Conditions Apply, Must be Included on Report
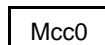
Mcc0   Optional - Use to Claim Exception to 15-minute Deadline

The indicators highlighted in light grey must be included on a trade if the conditions apply. The codes with no highlighting are optional and are used only to claim an exception to the 15-minute deadline.

The MSRB may in the future establish additional Special Condition Indicators for common situations. All Special Condition Indicators will be available on the MSRB's Web Site, www.msrb.org. See section 4.3.2 for further details on the use of Special Condition Indicators.

(The remainder of the Appendix is unchanged.)