MSRB REPORTS

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Volume 3, Number 2 | Municipal Securities Rulemaking Board | April 1983

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April–July

June 1 —Comments due regarding
- delivery/receipt versus payment transactions
- amendment to rule G-12 requiring the use of automated comparison, clearance and settlement systems
- amendment to rule G-15 on customer confirmations

July 1 —Effective date of federal legislation requiring registration of new issue municipal securities

Pending—SEC approval of
- amendments to rule G-11 exempting note syndicates
- amendments to rule G-12 concerning confirmations with CUSIP number discrepancies
- amendments to rule G-12 concerning note denominations
- amendments to rule G-12 concerning denominations of registered securities
- amendments to rule G-12 concerning close-out procedures
- amendment to rule G-15 requiring CUSIP numbers on customer confirmations
- rule G-34 on CUSIP numbers

—Effective date of certain rule G-33 provisions (January 1, 1984)

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Delivery/Receipt Versus Payment Transactions

Comments Requested Concerning Revised Draft Rule

On July 26, 1982, the Board released for industry comment a draft rule amendment regarding the use of automated confirmation and immobilized settlement systems in connection with certain delivery vs. payment ("DVP") or receipt vs. payment ("RVP") transactions with customers.[1] The draft amendment proposed to require that, under certain conditions, a municipal securities broker or municipal securities dealer could not effect a transaction with a customer on a DVP or RVP basis unless the facilities of a securities depository (as defined in the amendment) were used for the automated confirmation, acknowledgement and immobilized settlement of such transactions.[2] This provision would apply if all of the following three conditions were met:

- if the securities involved in the transaction were eligible for immobilized settlement through a depository;
- if the customer or the customer's clearing agent were a participant in a depository; and
- if the municipal securities broker or dealer or its clearing agent were a participant in a depository.

The Board proposed the draft amendment, which is substantially similar to provisions recently adopted by other self-regulatory organizations[3], due to its belief that the amendment might help to eliminate rejections of deliveries due to a clearing agent's failure to receive instructions for the receipt of securities on settlement date (the so-called " 'DK' problem"), and that the amendment would encourage the municipal securities industry's adoption of more efficient automated clearance procedures.[4]

The Board is gratified at the number and quality of the comment letters submitted in response to the July 1982 exposure draft. These letters offered thoughtful and detailed evaluations of the Board's proposal. Certain of the letters recommended a modification to the draft amendment designed, in these commentators' view, to increase its effectiveness in resolving the "DK" problem and simplify its implementation. Other letters suggested that municipal securities brokers and dealers might face certain difficulties in preparing for compliance with the amendment. It appears that these latter concerns may be resolved, and the "DK" problem can be more thoroughly addressed by making certain other changes in the draft amendment.

The Board believes that it would be appropriate to consider the changes suggested by the commentators. In view of the significant nature of these changes, however, the Board believes that it is necessary to solicit additional comments on them from industry participants and other interested persons. Such additional comments will be of assistance to the Board in evaluating the proposed revision to the July 1982 proposal, and also in assessing the effects of the confirmation and delivery system contemplated by the proposed amendment.

The Board welcomes comments on the revised draft amendment from all interested persons. In particular, the Board again solicits the views of institutional and individual customers regarding the implications of the draft amendment for their investment activities. The Board would also be interested in comments from municipal securities brokers, dealers, investors, and other interested persons on the cost and competitive impact of the proposed amendment. Letters of comment should be received by the Board on or before June 1, 1983, and should be sent to the attention of Donald F. Donahue, Deputy Executive Director. Written comments will be available for public inspection.

[1]The July 1982 exposure draft is contained in *MSRP Reports* v. II, n. 6 (August 1982) at pp. 3–5, and also in the "New Developments" section of the CCH MSRB *Manual*, ¶10,224 at pp. 10,700–04.

[2]The municipal securities broker or dealer could still effect the transaction on a basis other than a DVP or RVP basis (*e.g.*, where the customer would pay for securities it had purchased prior to delivery).

[3]*E.g.*, amendments to New York Stock Exchange rule 387 ("COD Orders"), amendments to the National Association of Securities Dealers' Uniform Practice Code inserting new section 64 ("Acceptance and Settlement of COD Orders") and other similar provisions. These rule changes were approved by the Securities and Exchange Commission on November 9, 1982; *see* Exchange Act Release No. 19227.

[4]The Board notes that the automated systems which the draft amendment proposed to require are offered by several of the securities depositories. The draft amendment would not require dealers to automate or computerize their own operations.

Accordingly, the Board is releasing for comment herewith a revised version of the July 1982 proposal, including the two substantive changes to the proposal suggested by the commentators.[5] The two changes are as follows:

1. The revised amendment proposes to require the use of automated confirmation and acknowledgement systems for all DVP/RVP transactions between depository-participant customers and dealers that involve municipal securities having an assigned CUSIP number, whether or not such securities are depository-eligible. As noted previously, the proposal set forth in the July 1982 exposure draft would apply to any transaction between a depository-participant customer and a depository-participant municipal securities broker or dealer that involved municipal securities that are eligible for immobilized clearance through a depository. Several commentators on the July 1982 exposure draft suggested that limiting the application of the proposed amendment to only those transactions involving depository-eligible municipal securities would sharply restrict the benefits to be realized from the proposal, in view of the limited number of issues that are currently depository-eligible.[6] These persons suggested that the proposed amendment should be expanded to require that, for transactions between depository-participant customers and dealers, the automated confirmation and acknowledgement services provided by the securities depositories must be used if the securities involved in the transaction have been assigned a CUSIP number. Under this approach, transactions in depository-eligible securities would continue to be subject to immobilized settlement; settlement of transactions in securities which are not depository-eligible would occur by means of physical delivery of the securities.

The Board agrees that this suggestion may enhance the benefits to be derived from the proposed amendment. As the July 1982 exposure draft stated, the use of automated confirmation and acknowledgement systems ensures that trade information is exchanged between the parties to a transaction promptly, and that appropriate instructions are issued well before the transaction settlement date. As a consequence, these automated systems eliminate the delays in the receipt of mailed confirmations and delivery/receipt instructions that appear to be the prime cause of the "DK" problem. Action to increase the number of transactions confirmed and acknowledged by means of these systems, as is suggested by these commentators, therefore appears likely to result in a corresponding decrease in the number of transactions on which deliveries are rejected due to a lack of a confirmation or delivery instructions. Given the substantial increase in the number of transactions that would be confirmed by means of these systems under the commentators' suggestion, the effect on the "DK" problem on municipal securities transactions might be equally significant.

In addition, this suggestion appears to address a problem in implementing the exposure draft proposal described by other persons responding to the draft. These commentators expressed the view that it would be difficult and burdensome to determine whether a particular security was depository-eligible (and therefore whether a particular transaction might be subject to this requirement). While the Board does not necessarily share this opinion, it recognizes that it would be desirable to eliminate the need to verify the eligibility of the security if at all possible. The expansion of the requirement for the use of automated confirmation systems to all DVP/RVP transactions in securities with assigned CUSIP numbers appears to accomplish this result, since persons using automated confirmation systems are advised by the depository several days prior to the settlement date which transactions may be settled by means of immobilized clearance (*i.e.*, which transactions involve depository-eligible securities) and which transactions will require physical settlement.

2. The revised amendment proposes to require that certain information and representations be obtained on all DVP/RVP transactions. The rule amendments recently adopted by the other self-regulatory organizations contained several other provisions, generally applicable to all DVP/RVP transactions with customers whether or not they were depository participants, which were not included in the Board's July 1982 exposure draft.[7] These requirements are:

- that the dealer obtain the name and address of the customer's clearing agent and the customer's clearing account number;
- that the dealer designate each DVP/RVP transaction as such on the transaction order ticket[8];
- that the dealer send the transaction confirmation to the customer within one business day of the trade date[9]; and
- that the dealer obtain representations from the customer that delivery/receipt instructions will be transmitted to the customer's clearing agent not later than (a) the fourth business day after the trade date in the case of DVP transactions, or (b) the third business day after the trade date in the case of RVP transactions.

The adoption of similar requirements for municipal securities transactions may assist in the implementation and enforcement of the proposed amendments. Several commentators on the July 1982 proposal expressed concern that identifying customers as depository participants (which would be necessary to permit compliance with the proposal) would be difficult, particularly if the customer participated indirectly through its clearing agent. The adoption of a requirement similar to the first of the above-cited provisions appears to simplify this process, since it would ensure that each municipal securities broker or dealer had the information necessary to determine whether or not the customer does in

[5] The Board is also releasing, concurrently with this notice, an exposure draft of a parallel rule amendment relating to inter-dealer transactions. This also was suggested by the commentators.

[6] As of December 31, 1982, 55,964 issues of municipal securities were eligible for immobilized clearance through the two securities depositories currently providing book-entry clearance services for municipal securities. There are approximately 1,290,000 CUSIP numbers currently assigned to municipal securities issues.

[7] The Board believes, however, that many municipal securities dealers already follow the procedures mandated by these provisions at the present time as a matter of good business practice.

[8] Rules G-8 (a) (vi) and (vii) require municipal securities brokers and dealers to maintain order tickets ("memoranda") recording certain information about agency and principal transactions respectively.

[9] Rule G-15 currently requires only that customers by provided confirmations "at or before the completion of [the] transaction."

fact participate in a depository.[10] Similarly, the third and fourth requirements described above would ensure that information is transmitted into the automated confirmation system in a timely fashion, permitting completion of the confirmation process well before the settlement date.

It also appears that these requirements may partially reduce the "DK" problem for transactions with non-depository-participants. The requirement to obtain the customer's clearing account number may help to resolve certain delivery problems resulting from a misdirection of the delivery. Similarly, the representations required to be obtained in the fourth cited provision may ensure that instructions are received by customer's clearing agents in a timely fashion.

Accordingly, the Board proposes to include in the revised proposal provisions comparable to the four requirements for obtaining the information and representations cited above.

* * * * *

The July 1982 proposal also made reference to securities which were eligible for "book-entry" settlement through the facilities of a securities depository. The Board believes that the reference to "book-entry" settlement systems may cause confusion between the immobilized clearance systems currently offered by the registered securities depositories and the pure book-entry system currently used with respect to U.S. Treasury bills. In the former type of system, a large portion of an outstanding issue is held in a depository's vaults (represented by one or severl "jumbo" securities certificates) with ownership transferred by entries on the depository's books; the balance of the issue, however, is held in physical form by investors and others, with certificates flowing into and out of the depository as the public's need for actual securities certificates fluctuates.[11] In the latter type of system, no definitive securities certificates exist and all transfers of ownership are made through book entries. In order to avoid confusion between these systems, therefore, and to clearly designate the former type of system as that contemplated under the draft amendment, the Board has referred to "immobilized" clearance or settlement systems throughout the revised draft.

* * * * *

The text of the revised draft amendment follows to this notice.

March 14, 1983

Text of Revised Draft Amendment

(a) No municipal securities broker or municipal securities dealer shall accept an order from a customer pursuant to an arrangement whereby payment for securities received (RVP) or delivery against payment of securities sold (DVP) is to be made to or by an agent of the customer unless all of the following procedures are followed:

(i) the municipal securities broker or municipal securities dealer shall have received from the customer prior to or at the time of accepting such order, the name and address of the agent and the name and account number of the customer on file with the agent;

(ii) the memorandum of such order made in accordance with the requirements of paragraph (a) (vi) or (a) (vii) of rule G-8 shall have noted thereon the fact that it is a delivery vs. payment (DVP) or receipt vs. payment (RVP) transaction;

(iii) the municipal securities broker or municipal securities dealer shall deliver to the customer a confirmation in accordance with the requirements of rule G-15 with respect to the execution of the order not later than the close of business on the next business day after any such execution; and

(iv) the municipal securities broker or municipal securities dealer shall have obtained an agreement from the customer that (A) the customer will furnish the agent instructions with respect to the receipt or delivery of the securities involved in the transaction promptly upon receipt by the customer of each confirmation, or the relevant data as to each execution, relating to such order, and (B) that in any event the customer will assure that such instructions are delivered to the agent no later than:

(1) in the case of a purchase by the customer where the municipal securities broker or municipal securities dealer is to deliver the securities to the customer's agent against payment (DVP), the close of business on the fourth business day after the date of execution of the trade as to which the particular confirmation relates; or

(2) in the case of a sale by the customer where the municipal securities broker or municipal securities dealer is to receive the securities from the customer's agent against payment (RVP), the close of business on the third business day after the date of execution of the trade as to which the particular confirmation relates.

(b) No municipal securities broker or municipal securities dealer who is, or whose clearing agent is, a participant in a securities depository registered with the Securities and Exchange Commission shall effect a transaction in any municipal security to which a CUSIP number has been assigned on a delivery vs. payment or receipt vs. payment basis for the account of a customer who is, or whose agent is, a participant in such securities depository (or in a securities depository interfaced or otherwise linked with such securities depository) unless the facilities of such securities depository (or the facilities of a securities depository interfaced or otherwise linked with such securities depository, as necessary) are used for the confirmation, acknowledgement, and, if the security is eligible for immobilized clearance through the securities depository, immobilized settlement of such transaction.

(c) For purposes of section (b) of this rule, a "securities depository" shall mean a clearing agency, as defined in Section 3(a)(23) of the Securities Exchange Act of 1934, that is registered with the Securities and Exchange Commission pursuant to Section 17A(b)(2) of the Act.

[10] Once the dealer had obtained this information, it could check whether the customer or its clearing agent is identified as a depository participant on any of the lists provided by the depositories, or inquire of the depository regarding this matter by means of a terminal or otherwise. The Board notes that this information need be obtained only once, at the time of opening the account, and is not a process which must be completed each time a transaction is effected with the customer.

[11] Certain of the depositories do currently hold several issues on which definitive certificates are not available to the public. A definitive "global" certificate for each of these issues does exist, however, and is maintained in the depository's vault.

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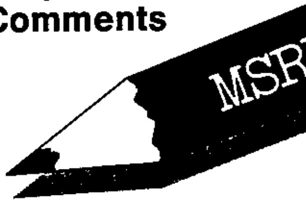

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Rule G-12

Comments Requested Concerning Draft Amendment Requiring the Use of Automated Comparison, Clearance and Settlement Systems

The Board has approved for circulation this exposure draft of an amendment to Board rule G-12 on uniform practice which would establish requirements concerning the use of automated comparison, clearance and settlement systems with respect to certain transactions between municipal securities brokers and dealers. This draft amendment is being circulated for public comment prior to further consideration by the Board. The text of the draft amendment is attached to this notice.

Background

On July 26, 1982, the Board released for industry comment a draft rule amendment regarding the use of automated confirmation and immobilized settlement systems in connection with certain delivery vs. payment ("DVP") or receipt vs. payment ("RVP") transactions with customers.[1] The draft amendment proposed to require that, under certain conditions, a municipal securities broker or municipal securities dealer could not effect a transaction with a customer on a DVP or RVP basis unless the facilities of a securities depository (as defined in the amendment) were used for the automated confirmation, acknowledgement and immobilized settlement of such transaction. This provision would apply if all of the following three conditions were met:

- if the securities involved in the transaction were eligible for immobilized settlement through a depository;
- if the customer or the customer's clearing agent were a participant in a depository; and
- if the municipal securities broker or dealer or its clearing agent were a participant in a depository.

In response to the July 1982 exposure draft the Board received many thoughtful and detailed comments from municipal securities brokers and dealers, investors in municipal securities, and others. Several commentators inquired as to the reason why the proposal applied only to DVP/RVP transactions between municipal securities brokers or dealers and customers and did not cover inter-dealer transactions. Certain of these commentators expressed the view that a similar rule should be adopted with respect to inter-dealer transactions.

After consideration of these comments the Board has concluded that it would be appropriate to consider the adoption of a parallel requirement with respect to inter-dealer transactions. The use of automated systems for the comparison of inter-dealer transactions seems to offer similar benefits in terms of a timely transmission or exchange of trade and delivery information as the use of such systems appears to provide for customer DVP/RVP transactions. The use of immobilized clearance systems also appears to offer significant clearance efficiencies, and to eliminate many of the difficulties associated with physical clearance of securities. Accordingly, the Board has determined to release for comment an amendment to its rules to adopt a requirement for the use of automated comparison, clearance and settlement systems for certain inter-dealer transactions in municipal securities.

* * * * *

The Draft Amendment

The amendment under consideration by the Board would apply to inter-dealer transactions a requirement similar to that proposed for customer DVP/RVP transactions in the revisions to the July 1982 proposal being released concurrently with this notice. The amendment would insert in Board rule G-12 on uniform practice a new section (f) entitled "Use

The Board welcomes comments on the draft amendment from all interested persons. In particular, the Board would be interested in comments from municipal securities brokers, dealers, investors, and other interested persons on the cost and competitive impact of the proposed amendment. Letters of comment should be received by the Board on or before June 1, 1983, and should be sent to the attention of Donald F. Donahue, Deputy Executive Director. Written comments will be available for public inspection.

[1] The July 1982 exposure draft is contained in *MSRB Reports* v. II, n. 6 (August 1982) at pp. 3–5, and also in the "New Developments" section of the CCH MSRB *Manual*, ¶10,224 at pp. 10,700–04. A revised version of the July 1982 proposal is being released for comment concurrently with this exposure draft.

of Automated Comparison, Clearance and Settlement Systems."[2] This new section would require the following:

1. Under proposed paragraph (f)(i), the parties to an inter-dealer transaction must submit the transaction for automated comparison through the facilities of a registered clearing agency if the following conditions are met:

- the parties to the transaction are participants in the clearing agency (or in interfaced registered clearing agencies); and
- the securities involved in the transaction are eligible for comparison through the clearing agency.

The terms of submission of the transaction (*i.e.*, the deadline by which submission must be made, the information which must be submitted, etc.) would be as required by the clearing agency's rules.[3]

2. Under proposed paragraph (f)(ii), the parties to an inter-dealer transaction must submit the transaction for delivery and settlement via immobilized clearance through a registered securities depository[4] if the following conditions are met:

- the transaction has been successfully compared through the facilities of a registered clearing agency;
- the securities invovled in the transaction are eligible for immobilized clearance through the depository; and
- the parties to the transaction are participants in the depository (or in interfaced depositories).

Clearance and settlement of the transaction would, again, be subject to the rules of the involved depository or clearing agency.

* * * * *

The text of the draft amendment is attached to this notice.

March 14, 1983

Text of Draft Amendment

Rule G-12. Uniform Practice

(a) through (e) No change.

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

(i) Notwithstanding the provisions of sections (c) and (d) of this rule, with respect to a transaction in municipal securities which are eligible for comparison through the facilities of a clearing agency (or interfaced clearing agencies) registered with the Securities and Exchange Commission, if the parties to such transaction are participants in the clearing agency (or clearing agencies), each party to the transaction shall submit to the clearing agency information concerning the transaction, as required under clearing agency rules, for purposes of automated trade comparison.

(ii) Notwithstanding the provisions of section (e) of this rule, if a transaction submitted to a registered clearing agency for comparison in accordance with this section (f) has been successfully compared by such clearing agency, and if such transaction involves municipal securities which are eligible for immobilized clearance through the facilities of a securities depository (or interfaced securities depositories) registered with the Securities and Exchange Commission in which the parties to the transaction are participants, the selling party shall submit such transaction for clearance and settlement through the immobilized clearance facilities of the depository or depositories (or, where settlement services are not available through the depository, the clearing agency).

[2] Conforming amendments would be made to other sections of rule G-12.

[3] It should be noted that proposed paragraph (f)(i) does not require that the parties submit the transaction for "netting" by the clearing agency.

[4] The Board is aware that, in certain circumstances, the money settlement of a transaction would normally occur through the clearing agency which had compared it, with only the securities delivery occurring through the depository. Accordingly, proposed paragraph (f)(ii) would require the use of the facilities of the clearing agency for the settlement of the transaction in these circumstances.

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Rule G-15

Comments Requested on Proposed Amendment to Customer Confirmations

The Board is circulating for public comment a draft amendment to the provisions of Rule G-15 on customer confirmations. The amendment is being circulated for the purpose of eliciting comment prior to filing with the Securities and Exchange Commission.

Board rule G-15 (a)(i) requires a confirmation sent to a customer to state the "name, address and telephone number" of the confirming municipal securities broker or dealer. The requirement that the confirmation provide the "address and telephone number" of the confirming broker or dealer is intended to assist a customer, particularly an individual customer, in communicating with the municipal securities representative servicing his or her account regarding the transaction being confirmed or other matters concerning the account.

The Board is aware that many municipal securities brokers and dealers have begun to use, or to contemplate using, automated confirmation systems in connection with customer transactions. Such systems typically permit the transmission of a confirmation to the customer through the automated facilities of a securities depository or clearing corporation. The Board has recently learned that the confirmations provided by such systems do not include on the confirmation provided to the customer the address and telephone number of the municipal securities broker or dealer transmitting the confirmation.

The Board is of the view that it may not be necessary for such confirmations to state the address and telephone number of the transmitting broker or dealer. Customers who use these automated confirmation systems generally are more sophisticated investors who participate actively in the securities markets, rather than effecting only occasional transactions. In view of their sophistication, therefore, the Board believes that they are likely to know how to contact persons with whom they effect transactions, and, therefore, are unlikely to need these persons' addresses and telephone numbers specified on the confirmation. Accordingly, the Board proposes to amend rule G-15 to exempt confirmations transmitted through an automated confirmation system from the requirement to state the "address and telephone number" of the confirming broker or dealer on the confirmation.

* * * * *

The text of the draft amendment follows.

March 14, 1983

The Board welcomes comments on the draft amendment from all interested persons. In particular, the Board solicits the views of institutional and individual customers regarding the provisions of the draft amendment. Letters of comment should be received by the Board on or before June 1, 1983, and should be sent to the attention of Donald F. Donahue, Deputy Executive Director. Written comments will be available for public inspection.

Text of Draft Amendment*

Rule G-15. Customer Confirmations

(a) At or before the completion of a transaction in municipal securities with or for the account of a customer, each broker, dealer or municipal securities dealer shall give or send to the customer a written confirmation of the transaction containing the following information:

(i) name, address, and telephone number of the broker, dealer, or municipal securities dealer, provided, however, that the address and telephone number need not be stated on a confirmation sent through the automated confirmation facilities of a clearing agency registered with the Securities and Exchange Commission;

(ii) through (xiii) No change.

(b) through (i) No change.

*Underlining indicates additions.

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Rule G-11

Amendments Filed Which Provide Exemptions for Qualified Note Syndicates

The Board has filed with the Securities and Exchange Commission amendments to rule G-11 concerning syndicate practices. The amendments, once approved by the Commission, will provide an exemption from certain of the rule's disclosure requirements, under specified circumstances, for members and managers of "qualified note syndicates." A "qualified note syndicate" is defined as a syndicate formed for the purpose of purchasing and distributing new issues of municipal securities that mature in less than two years. In addition, the new issue must be purchased on other than an "all or none" basis *or* the syndicate must have provided that there will be no order period, that only group orders will be accepted, and that the syndicate may purchase and sell the municipal securities for its own account.

The rule amendments exempt members and managers of qualified note syndicates from the provisions of rule G-11(d) and (g) which require respectively the disclosure of the identity of customers who place group orders and the disclosure of the identity of group orders to which securities have been allocated. The current disclosure requirements were designed to afford syndicate members a means of policing order priorities established by the syndicate. The Board has concluded that these requirements are unnecessary if all orders are treated as group orders since there would be no priority concerns to be protected.

The proposed amendments also exempt managers of qualified note syndicates from the requirement in subsection (h)(ii) of the rule that a manager deliver, at or before final settlement, a summary statement showing the aggregate par values and prices of all securities sold from the account. The Board has adopted this exemption because, in larger offerings such as an issue of project notes, the allocation disclosures required by the rule would be many pages long and of little practical value to syndicate members.

As indicated above, the proposed exemptions would only apply to syndicates which are "qualified note syndicates" as defined. Only qualified note syndicates purchasing or distributing issues of municipal securities that mature in less than two years could avail themselves of the exemptions. A copy of the proposed amendments is attached. The amendments will become effective upon Commission approval.

February 23, 1983

Questions regarding this notice may be addressed to Angela Desmond, Deputy General Counsel.

Text of Proposed Amendment*

Rule G-11. Sales of New Issue Municipal Securities During the Underwriting Period

(a) No change.

(i)–(ix) No change.

(x) the term "qualified note syndicate" means any syndicate formed for the purpose of purchasing and distributing a new issue of municipal securities that matures in less than two years where:

(A) the new issue is to be purchased by the syndicate on other than an "all or none" basis; or

(B) the syndicate has provided that:

(1) there is to be no order period;

(2) only group orders will be accepted; and,

(3) the syndicate may purchase and sell the municipal securities for its own account.

(b)–(c) No change.

(d) Disclosure of Group Orders. Every municipal securities dealer that submits a group order to a syndicate or to a member of a syndicate, shall disclose at the time of submission of such order the identity of the person for whom the order is submitted. This section shall not apply to a qualified note syndicate as defined in paragraph (a)(x) above.

(e)–(f) No change.

(g) No change.

(i) No change.

(ii) the identity of each person submitting a group order to which securities have been allocated as well as the aggregate par value and maturity date of each maturity allocated except that this paragraph shall not apply to the senior syndicate manager of a qualified note syndicate as defined in paragraph (a)(x) above; and

(iii) No change.

(h) No change.

(i) No change.

(ii) a summary statement showing that aggregate par values and prices (expressed in terms of dollar prices or yields) of all securities sold from the syndicate account. This paragraph shall not apply to a qualified note syndicate as defined in paragraph (a)(x) above.

*Underlining indicates new language.

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Sales Activities in Banks' Branches

Notice Concerning Municipal Securities Sales Activities in Branch Affiliate and Correspondent Banks Which are Municipal Securities Dealers

The Board has received several inquiries from banks concerning the activities which may be performed in connection with the marketing of municipal securities through branch, affiliate, and correspondent banks. Rule G-2 of the Board provides that no municipal securities dealer may effect transactions in, or induce or attempt to induce the purchase or sale of any municipal security, unless the dealer in question and every individual associated with it is qualified in accordance with the rules of the Board. Board rule G-3 establishes qualification requirements for municipal securities representatives and other municipal securities professionals. Board rule G-27 requires supervision of municipal securities activities by qualified municipal securities principals.[1]

Activities of Branch, Affiliate and Correspondent Bank Personnel

Bank employees who are not qualified municipal securities representatives may perform certain limited functions in connection with the marketing of municipal securities. Namely, such persons may:

- advise customers that municipal securities investment services are available in the bank;
- make available to customers material concerning municipal securities investments, such as market letters and listings of issues handled by the bank's dealer department, which has been approved for distribution by the dealer department's municipal securities principal; and,
- establish contact between the customer and the dealer department.

Further sales-related activity would be construed as inducing or attempting to induce the purchase or sales of a municipal security, and may only be engaged in by duly-qualified municipal securities representatives.

The Board wishes to emphasize that each bank dealer should take steps to assure that its branch, correspondent, and affiliate bank personnel understand and observe the restrictions outlined above concerning referrals of municipal securities customers to the bank's dealer department.

Placement And Supervision of Municipal Securities Representatives

Bank dealers have also directed inquiries to the federal bank regulators and to the Board concerning whether qualified municipal securities representatives in affiliates or branches of a bank dealer may respond to customer inquiries concerning municipal securities and take customer orders for municipal securities if no municipal securities principal is located in such affiliates or branches. Board rule G-27 places on each broker, dealer, and municipal securities dealer the obligation to supervise the municipal securities activities of its associated persons and the conduct of its municipal securities business. The rule requires that municipal securities dealers designate a municipal securities principal as responsible for the supervision and review of municipal securities transactions and other activities. There is no requirement that a municipal securities principal be located in each office or branch of a municipal securities dealer, provided that adequate supervision of all municipal securities activities can be assured. For purposes of the Board rules, each employee of a branch or affiliate of a bank dealer who communicates with public customers on investment opportunities in municipal securities and who takes customers' orders for such securities would be considered an "associated person" to whom the Board's qualification and supervision requirements would apply.

March 11, 1983

Questions regarding this notice may be directed to Judith R. Sillari, Assistant General Counsel.

[1]Similar questions and the requirements of rule G-27 have been addressed by the Board in the context of branch office activities of securities firms. See "Notice Concerning Rule G-27," *MSRB Reports*, Vol. 2 No. 2 (Feb. 1982) at p. 21.

Attention

Route To:

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Letters of Interpretation

Rule G-8—Recordkeeping Requirements for "Introducing Brokers"

Your letter of September 16, 1982 to Christopher A. Taylor of the Board's staff has been referred to me for response. In your letter you indicate that your firm functions as an "introducing broker," and, in such capacity, effects an occasional transaction in municipal securities. You inquire as to the recordkeeping requirements applying to a firm acting in this capacity, and you also inquire as to the possibility of an exemption from the Board's rules, in view of the extremely limited nature of your municipal securities business.

As you recognize, the provision of Board rule G-8 on recordkeeping with particular relevance to introducing brokers is section (d), which provides as follows:

> A municipal securities broker or municipal securities dealer which, as an introducing municipal securities broker or municipal securities dealer, clears all transactions with and for customers on a fully disclosed basis with a clearing broker, dealer or municipal securities dealer, and which promptly transmits all customer funds and securities to the clearing broker, dealer or municipal securities dealer which carries all of the accounts of such customers, shall not be required to make and keep *such books and records prescribed in this rule as are customarily made and kept by a clearing broker, dealer or municipal securities dealer and which are so made and kept;* and such clearing broker, dealer or municipal securities dealer shall be responsible for the accurate maintenance and preservation of such books and records.
>
> (emphasis supplied)

As you can see, this provision states that the introducing broker need not make and keep those records which are "customarily made and kept by" the clearing dealer, as long as the clearing dealer does, in fact, make and keep those records. The introducing broker is still required, however, to make and keep those records which are **not** "customarily made and kept by" the clearing firm.

The majority of the specific records you name in your letter fall into the latter category of records which are not customarily made and kept by the clearing firm and therefore remain the responsibility of the introducing broker. Your firm would, therefore, be required to make the records of customer account information required under rule G-8 (a)(xi), with all of the itemized details of information recorded on such records. Your firm would also be required to maintain the records of agency and principal transactions ("order tickets") required under rules G-8 (a)(vi) and (vii) respectively. In both cases, however, if, for some reason, the clearing firm does make and keep these records, your firm would not be required to make and keep duplicates.

In the case of the requirement to keep confirmation copies, it is my understanding that the clearing firm generally maintains such records. If the clearing firm to which you introduce transactions follows this practice and maintain copies of the confirmations of such transactions, you would not be required to maintain the same record.

In adopting each of these recordkeeping requirements the Board concluded that the information required to be recorded was the minimum basic data necessary to ensure proper handling and recordation of the transaction and customer protection. I note also that these requirements parallel in most respects those of Commission rule 17a-3, to which you are already subject by virtue of your registration as a broker/dealer.

With respect to your inquiry regarding an exemption from the Board's requirement, I must advise that the Board does not have the authority to grant such exemptions. The Securities and Exchange Commission does have the authority to grant such an exemption in unusual circumstances. Any letter regarding such an exemption should be directed to the Commission's Division of Market Regulation.—*MSRB interpretation of September 21, 1982 by Donald F. Donahue, Deputy Executive Director.*

Rules G-12 and G-15—Confirmation Requirements for Bank Letters of Credit

I am writing in connection with our previous telephone conversation of last June regarding the confirmation of a transaction in a municipal issue secured by an irrevocable letter of credit issued by a bank. In our conversation you noted that both Rules G-12 and G-15 require confirmations to contain a

> description of the securities, including at a minimum . . ., if necessary for a materially complete description of

the securities, the name of any company or other person in addition to the issuer obligated, directly or indirectly, with respect to debt service . . .

You inquired whether the name of the bank issuing a letter of credit securing principal and interest payments on an issue, or securing payments under the exercise of a put option or tender option feature, need be stated on the confirmation.

At that time I indicated to you that the identity of the bank issuing the letter of credit would have to be disclosed on the confirmation if the letter of credit could be drawn upon to cover scheduled interest and principal payments when due, since the bank would be "obligated . . . with respect to debt service[.]" I am writing to advise that the committee of the Board which reviewed a memorandum of our conversation has concluded that a bank issuing a letter of credit which secures a put option or tender option feature on an issue is similarly "obligated . . . with respect to debt service" on such issue. The identity of the bank issuing the letter of credit securing the put option must therefore also be indicated on the confirmation.—*MSRB interpretation of December 2, 1982 by Donald F. Donahue, Deputy Executive Director.*

Rules G-12 and G-15—Confirmation Description of Revenue Securities

I am writing in response to your letter of September 30, 1982 regarding the confirmation description of revenue securities. In your letter you note that the designation "revenue" is often not included in the title of the security, and you raise several questions concerning the method of deriving a proper confirmation description of revenue securities.

As you know, rule G-15 (a)(v) requires that customer confirmations set forth a

> description of the securities [involved in the transaction] including at a minimum the name of the issuer, interest rate, maturity date and *if the securities are . . . revenue bonds, an indication to such effect, including in the case of revenue bonds the type of revenue, if necessary for a materially complete description of the securities* . . .[1]
> [emphasis added]

The rule requires, therefore, that revenue securities be designated as such, regardless of whether or not such designation appears in the formal title of the security. The dealer preparing the confirmation is responsible for ensuring that the designation is included in the securities description. In circumstances in which standard sources of descriptive information (*e.g.*, official statements, rating agency and service bureau publications, and the like) do not include such a designation in the security title, therefore, the dealer must augment this title to include the requisite information.

In your letter you inquire as to who is responsible for providing this type of descriptive information to the facilities manager of the CUSIP system. Although the Board does not currently have any requirements concerning this matter, proposed rule G-34 will, when approved by the Securities and Exchange Commission, require that the managing underwriter of a new issue of municipal securities apply for the assignment of CUSIP numbers to such new issue if no other person (*i.e.*, the issuer or a person acting on behalf of the issuer) has already applied for number assignment. In connection with such application, if one is necessary, the managing underwriter is required, under the proposed rule, to provide certain information about the new issue, including a designation of the "type of issue (*e.g.*, general obligation, limited tax, or revenue)" and an indication of the "type of revenue, if the issue is a revenue issue[.]"

In your letter you also ask for "the official definition of a 'revenue' issue[.]" There is no "official definition" of what constitutes a revenue issue. Various publications include a definition of the term (*e.g.*, the PSA's *Fundamentals of Municipal Bonds*, the State of Florida's *Glossary of Municipal Securities Terms*, etc.), and I would urge you to consult these for further information.—*MSRB interpretation of December 1, 1982 by Donald F. Donahue, Deputy Executive Director.*

Rule G-32—Disclosures in Connection with Negotiated Underwritings

I am writing in response to your letter of August 30, 1982, in which you raise several questions concerning the requirements of Board rules. In your letter you note that Board rule G-32(a)(ii) requires that a municipal securities broker or dealer who sells new issue municipal securities to a customer during the underwriting period must make certain disclosures to the customer concerning the underwriting arrangements, if the new issue was a negotiated new issue. You express the view that, since these disclosures are customarily contained in an official statement, if any, prepared on the issue, the furnishing of such official statement (which is required under rule G-32(a)(i)) should be sufficient for purposes of compliance with this provision. You inquire whether, in circumstances where an official statement will be but has not yet been provided on an issue, the selling dealer can send out simply the final confirmation of the customer's transaction, with the official statement (including the disclosure required under rule G-32(a)(ii)) provided at a subsequent time, when it becomes available.

Rule G-32(a) reads, in pertinent part, as follows:

> No municipal securities broker or municipal securities dealer shall sell, whether as principal or agent, any new issue municipal securities to a customer unless, at or prior to sending a final written confirmation of the transaction to the customer indicating money amount due, such municipal securities broker or municipal securities dealer sends to the customer:
>
> (i) a copy of the official statement in final form voluntarily furnished by or on behalf of the issuer (or an abstract or other summary of such statement which is prepared by such municipal securities broker or municipal securities dealer); and
>
> (ii) in connection with a negotiated sale of new issue

[1]Rule G-12(c)(v)(E) sets forth the same requirement with respect to inter-dealer confirmations.

municipal securities, the following information concerning the underwriting arrangements:

(A) the underwriting spread; .

(B) the amount of any fee received by the municipal securities broker or municipal securities dealer as agent for the issuer in the distribution of the securities;

(C) the initial offering price for each maturity in the issue that is offered or to be offered in whole or in part by the underwriters.

In the event an official statement in final form is not available at the time the final confirmation indicating money amount due is sent to a customer, an official statement in preliminary form, if any, shall be sent to the customer, provided that an official statement in final form, or an abstract or summary thereof, must be sent to the customer promptly after such official statement becomes available to the municipal securities broker or municipal securities dealer. . . .

As you can see, the rule requires that customers purchasing during the underwriting period securities from a negotiated new issue must be sent, by the time of the final confirmation, two items: a copy of the final official statement, if any, and a statement regarding certain aspects of the underwriting arrangements. Although a dealer may comply with both requirements by arranging for the inclusion of the information on underwriting arrangements in the official statement and furnishing such statement at or before the furnishing of the final confirmation, the requirements are separate and distinct. Therefore, if an official statement will not be available on a negotiated new issue until after the final confirmation is mailed, the disclosures regarding the underwriting arrangements must be furnished to the customer by the time the confirmation is sent (whether by inclusion on the confirmation, by separate statement, or otherwise), even though the official statement will also contain such information.

With respect to the requirement to provide the customer an official statement if one is furnished by the issuer, the rule makes clear that, if a final official statement is not available by the time the final confirmation is sent, the dealer may send the final confirmation, and need not delay sending it until the final official statement is provided. The dealer must, however, furnish at that time a copy of the preliminary official statement, if one is available, and must furnish a copy of the final official statement when it becomes available.—*MSRB interpretation of September 2, 1982 by Donald F. Donahue, Deputy Executive Director.*

Rule G-33—Disclosure of Day-Count Method Used in Calculations of Particular Note Transactions

Your September 27 letter regarding the inclusion on a customer confirmation of information with respect to the day count method used on a transaction was referred to the Board for its consideration at the December meeting. In your letter you noted that Board rule G-33 on calculations requires that

[c]omputations under the requirements of [the] rule shall be made on the basis of a thirty-day month and a three-hundred-sixty-day year, or, in the case of computations on securities paying interest solely at redemption, on the day count basis selected by the issuer of the securities.

You indicated that your bank has recently experienced problems with transactions in municipal notes ("securities paying interest solely at redemption") on which the issuer has selected a day count basis other than the traditional "30/360" basis, with the problems resulting from one party to the transaction using an incorrect day count method. You suggested that this type of problem could be partially alleviated by requiring that a municipal securities dealer selling a security on which an unusual day count method is used specify the day count method on the confirmation of the transaction.

The Board shares your concern that a failure to identify the day count method used on a particular security may subsequently cause problems in completing a transaction. Therefore, the Board believes that the parties to a transaction should exchange information at the time of trade concerning any unusual day count method used on the securities involved in the transaction. Since the party selling the securities is more likely to be aware of the unusual day count, it would be desirable that sellers take steps to ensure that they advise the contra-parties on transactions of the method to be used.

The Board does not, however, believe that it would be appropriate to require that this information be stated on the confirmation. The Board reached this determination based on its perception that the space available on the confirmation for the details of the securities description is quite limited and its belief that information regarding the day count method may not be sufficiently material to warrant its inclusion in the securities description.—*MSRB interpretation of December 9, 1982 by Donald F. Donahue, Deputy Executive Director.*

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Questions & Answers

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Rule G-21

Frequently Asked Questions Concerning Advertising

* * * * *

DEFINITIONS

Q: What is an advertisement for purposes of rule G-21?

A: The term advertisement means any material (other than listings of offerings) published or designed for use in the public media including newspapers, magazines, radio or recorded telephone messages, or any other promotional literature designed for dissemination to the public. This includes any notice, circular, report, market letter, form letter or reprint or excerpt of the foregoing.

Q: What are "listings of offerings" for purposes of the rule?

A: The term refers to a list of municipal securities which a dealer distributes to customers and to other dealers that shows the securities the dealer currently is offering for sale. The term also refers to offerings of securities which a dealer furnishes for publication in an inter-dealer publication or other transmissions to dealers over an inter-dealer communication system. These listings ordinarily include, for each security being offered, the par amount, coupon rate, date of maturity and yield to maturity or dollar price, and may include other information about the securities such as their ratings. The term does not apply to a tombstone advertisement.

Q: Are listings of offerings subject to rule G-13 relating to quotations?

A: Yes. Rule G-13, which generally provides that a dealer may not distribute or otherwise publish a quotation in municipal securities unless the quotation represents a bona fide bid or offer for the security, does apply to listings of offerings.

Q: Are official statements advertisements?

A: The definition expressly excludes preliminary or final official statements. It does, however, include summaries of official statements, offering circulars, and other similar documents prepared by municipal securities brokers or dealers for their own use.

* * * * *

PROFESSIONAL ADVERTISEMENTS

Q: Are there any limitations on a dealer's ability to advertise its facilities, services or skills with respect to its municipal securities activities?

A: Rule G-21(b) provides that a municipal securities dealer may not publish any advertisement relating to these matters if the advertisement is materially false or misleading. This requirement also refers to advertisements of a dealer that might refer to the facilities or services of another municipal securities dealer.

* * * * *

PRODUCT ADVERTISEMENTS

Q: Does rule G-21 place any limitations on a dealer's ability to advertise municipal securities products?

A: The rule provides generally that a dealer may not publish an advertisement concerning municipal securities that the dealer knows or has reason to know is materially false or misleading. Additionally, in the case of new issue advertisements, there are more specific limitations which are discussed below.

Q: In most cases there is some delay between the time the advertisement is prepared and published. Would an advertisement that states the yields at the time the advertisement is prepared violate rule G-21 if the market changes between that time and the time it is published?

A: The Board is cognizant that some delay in publication is unavoidable. It, therefore, has taken the position that inclusion in the advertisement of a statement indicating that the securities are subject to changes in price provides adequate notice to potential customers that the prices and yields quoted may not represent market yields and prices at the time the customer contacts the dealer.

Q: We wish to advertise the availability of an issue of municipal securities, but for business reasons do not wish to include the identity of the issuer. Is this permissible?

A: The Board has taken the position that it is permissible to omit the identity of the issuer from advertisements.

Q: Is it permissible for a dealer to advertise municipal securities which he does not own?

A: Yes, if the advertisement states that the bonds are "subject to availability" and if the dealer intends to make a good faith effort to obtain the bonds and has no reason to believe that the bonds are not available in the market.

Q: Is it permissible for an advertisement of municipal securities to show only the percentage rate of return?

A: The Board has stated that under rule G-21 an advertisement showing a percentage rate must specify whether it is the coupon rate or the yield. If it is the yield, the advertisement must indicate the basis on which it was calculated (*e.g.,* discount, par or premium securities; if discount, whether yield is before or after taxes).

Q: Can I advertise that bonds are "tax-exempt"?

A: The term "tax-exempt" is broad enough to cover exemptions from all federal, state, and local income taxes. If this is not true of the security being advertised the use of the term in an advertisement must be explained, *e.g.,* by footnote.

* * * * *

NEW ISSUE ADVERTISEMENTS

Q: Are there any special requirements for new issue advertisements?

A: Yes. In addition to the requirement that advertisements not be misleading in any way, the rule provides that a new issue advertisement may show the initial reoffering prices or yields, even if the prices or yields have since changed, provided that the advertisement also contains the date of sale of the securities by the issuer to the syndicate.

Q: What is the "date of sale" for purposes of the rule?

A: The date of sale is defined in the rule as the date on which bids are required to be submitted to an issuer, in the case of competitive sales, and the date on which a contract to purchase securities from an issuer is executed, in the case of negotiated sales.

Q: Can I place an advertisement for new issue securities that shows prices or yields that are different from the initial reoffering prices?

A: Yes, if the prices or yields shown are accurate as of the time the advertisement is placed.

Q: What is the "time an advertisement is placed" for purposes of the rule?

A: The term means the time when an announcement or advertisement is published or must be finally submitted to another person for publication, whichever first occurs.

Q: We are considering placing an advertisement which would state that our firm will start negotiating a contract for the purchase of a new issue, giving the title of the issue, and indicating that this is not an offer to sell securities. Do the Board's advertising rules prohibit such an ad?

A: No. Rule G-21 does require that advertisements not be misleading in any way. As long as the information you provide is accurate, you would be in compliance with Board rules.

Q: Would it be permissible to include in an advertisement for a new issue being negotiated the estimated reoffering prices?

A: Yes. However, the advertisement must make clear that the prices are estimated only, and these prices must represent the dealer's bona fide estimat..

Q: May the prices be included in the body of the advertisement with the explanation that the prices are estimated contained in a footnote?

A: This is a judgement question. It is important that the explanation be sufficiently prominent that it will be read. Putting the footnote in bold-face type would be one possibility.

Q: Is it permissible for a dealer to advertise a competitive issue before it is awarded to the underwriters if it is not sure whether it will participate in the deal?

A: Yes, if the dealer intends to make a good faith effort to obtain the bonds and has no reason to believe that they will not be available in the market if it does not participate in the underwriting. The advertisement must contain a statement, however, that the securities are subject to availability or that the advertisement is for a proposed new issue.

Q: We would like to mail our customers excerpts from the Notice of Sale of an issue on which we intend to bid. This advertisement would state that we are bidding on the issue and that we do not own or offer the bonds. Is this permissible under the rule?

A: Yes, the focus of the product advertising portion of the rule is that the advertisement should not be materially false or misleading.

Q: Suppose we publish an advertisement showing certain yields and prices and then sell out certain maturities in the market, and/or change the prices of the remaining maturities. Would our advertisement be considered misleading under rule G-21?

A: The rule requires that all advertisements be accurate as of time of publication. The Board has stated that, if applicable, a new issue advertisement should indicate that the securities shown as available from the syndicate may no longer be available from the syndicate at the time of publication or may be available from the syndicate at a price or yield different from that shown in the advertisement.

Q: Subsequent to the purchase of a new issue of municipal securities, we mail an abstract of the Official Statement to customers on which is listed the issue date, the original par value for each maturity, and a legend stating that "We own and

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Rule G-15

Amendment Filed Requiring CUSIP Numbers on Customer Confirmations

The Board has filed with the Securities and Exchange Commission an amendment to rule G-15, concerning customer confirmations. The amendment would require that applicable CUSIP numbers be included on all confirmations of transactions with and on behalf of customers. The amendment will become effective 120 days after Commission approval.

March 15, 1983

Questions concerning the proposed amendment may be directed to Angela Desmond, Deputy General Counsel.

Text of Proposed Amendment

Rule G-15. Customer Confirmations*

(a) At or before the completion of a transaction in municipal securities with or for the account of a customer, each broker, dealer or municipal securities dealer shall give or send to the customer a written confirmation of the transaction containing the following information:

(i) through (v) No change.

(vi) CUSIP number, if any, assigned to the securities;

(vi) through (xiii) renumbered as (vii) through (xiv). No substantive change.

(b) through (i) No change.

*Underlining indicates new language.

offer subject to prior sale the following securities." Does this meet the requirements of the rule relative to availability of bonds?

A: Yes.

Q: Can a new issue advertisement state only the maximum yield obtainable by investors?

A: The Board has taken the position that such a practice is permissible provided that the advertisement communicates clearly that the yield shown is the maximum yield and is not representative of yields for the issue as a whole.

Q: We are placing an advertisement on a negotiated deal that will state "XYZ new issue, 14.00 percent yield to maturity, offered on a WI basis." The 14% yield to maturity will be "market anticipated rate of return—subject to change." We have not signed the contract on the deal yet so we don't have a sale date. How can we date the advertisement, as is required in the rule?

A: You do not have to have a date on the advertisement. The date is necessary only when you are advertising the original prices and yields and those prices and yields have changed. If you are not saying anything in the advertisement that would not be true at some later date, or at the time of publication, there is no need to date the advertisement.

* * * * *

APPROVAL BY PRINCIPAL

Q: Do advertisements have to be approved by anyone prior to publication?

A: Yes. Each advertisement must be approved in writing by a municipal securities principal or a general securities principal prior to its first use. In addition every municipal securities dealer must make and keep a current file of all advertisements.

Q: If the principal himself composes and places the advertisement, does he still have to approve it in writing?

A: Yes.

Q: We have produced a T.V. commercial, a part of which calls for responses to spontaneous questions from an audience. It is impossible for the commercial to be approved in writing prior to its use as required under rule G-21. What shall we do?

A: That portion of the commercial which contains a set format can certainly be approved by a principal before its use. With regard to the spontaneous portion, the principal should have it monitored and reviewed directly afterwards to insure compliance with the rules, and publish any material corrections given to the responses that are necessary. Most of these commercials are pre-taped although spontaneous, and if this is the method used, there is no reason why it cannot be approved prior to use and edited to correct any errors.

Q: Our bank has numerous branches throughout the state, the vast majority of which only provide deposit and lending services. However, on occasion a person will come into a branch and request information about municipal bonds. When that happens, the branch officer calls a registered rep here in our bond division and lets the customer speak directly to the salesman. We are now proposing to make available in branch offices market letter material and listings of issues we handle. If customers express interest in purchasing municipal securities, the branch officer would provide them with this material and then place the call to the bond division without making any recommendations to the customer. Would this violate any Board rules?

A: No; assuming that you intend to have all material sent to the branches approved by a municipal securities principal prior to first use, in accordance with rule G-21, and assuming that your branch personnel who are not qualified as municipal securities representatives do not solicit transactions, make recommendations, or effect transactions in municipal securities, you would be in compliance with Board rules.

* * * * *

PREPUBLISHING REVIEW OF CONTENTS OF ADVERTISEMENTS

Q: If I have a question whether the content of a particular advertisement we plan to publish would be consistent with rule G-21, who can I call?

A: The regulatory body charged with inspecting your entity for compliance with the Board's rules may be willing to discuss the question with you.