

Chapman Client Alert

July 14, 2017

Current Issues Relevant to Our Clients

MSRB and FINRA Provide Guidance on New Rules Requiring Bond Mark-ups/Mark-downs on Trade Confirmations

Effective May 14, 2018, amendments to Municipal Securities Rulemaking Board (“MSRB”) Rule G-15 and Financial Industry Regulatory Authority (“FINRA”) Rule 2232 will subject firms to new transaction-related disclosure requirements to retail investors for certain fixed income securities. The new requirements will include disclosures of certain mark-up and mark-down information along with new information about the time of execution. Amendments to MSRB Rule G-30, regarding prices and commissions, will also go effective on May 14, 2018. For more information on the new MSRB and FINRA disclosure requirements, see our client alerts available [here](#) and [here](#). MSRB recently released new FAQs regarding Rules G-15 and G-30 and FINRA released new FAQs regarding Rule 2232 available [here](#) and [here](#), respectively.

MSRB FAQs

The MSRB FAQs address issues regarding the confirmation disclosure requirements under Rule G-15 and related prevailing market price guidance under Rule G-30. The FAQs cover such categories as when mark-up and mark-down disclosure is required, the content and the format of mark-up and mark-down disclosure, how to determine prevailing market price, issues regarding time of execution and security-specific URL disclosures.

FINRA FAQs

The FINRA FAQs address many of the same issues as the MSRB FAQs but in relation to Rule 2232, such as when mark-up and mark-down disclosure is required, the required content and format of mark-up and mark-down disclosures, determining prevailing market price, determining time of execution and clarifying security-specific URL disclosures.

What’s Next?

The amendments to MSRB Rules G-15 and G-30 and FINRA Rule 2232 go into effect May 14, 2018. As firms prepare for these deadlines they should review their policies and procedures as well as these FAQs to ensure they will be in compliance with the new requirements.

For More Information

If you would like to discuss any topic covered in this Client Alert, please contact a member of the Investment Management Group or visit us online at chapman.com.

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