

Chapman Client Alert

May 2, 2017

Current Issues Relevant to Our Clients

MSRB Withdraws Proposed Rule on Minimum Bond Trading Denominations

The Municipal Securities Rulemaking Board (MSRB) recently withdrew its proposed minimum bond trading denominations rule from consideration by the Securities and Exchange Commission (SEC). A copy of the withdrawal is available [here](#).

Proposed MSRB Rule G-49 would have prohibited a broker, dealer or municipal securities dealer from effecting a customer transaction in municipal securities in an amount lower than the minimum denomination of the issue stated in offering documents. The proposed rule would have replaced existing Rule G-15(f) and added certain exceptions while also liberalizing certain conditions to exceptions. The MSRB submitted the proposed rule to the SEC for comment and approval. The MSRB recently determined that it needs to obtain more information and greater consensus regarding the proposal. In light of an upcoming statutory deadline for the SEC to act on the proposal, the MSRB has withdrawn the proposal. In light of the withdrawal, the below-minimum denomination transactions will continue to be governed by existing Rule G-15(f).

More information about the MSRB's rule proposal is available at our previous Client Alerts available [here](#) and [here](#).

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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