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BDA Submits Issue Price Comment Letter to IRS.

BDA letter to IRS on Issue Price highlights potential negative impact to market and smaller issuers

Today, BDA submitted a comment letter to IRS in response to its request for comment on a proposed rule to re-define 'issue price'. The proposal partially withdraws the 2013 issue price proposal.

The BDA's draft letter focuses on:

- Problems for issuers and the marketplace that will be caused by an actual sales approach and the absence of a reasonable expectation standard
- Issues associated with the unworkable proposed alternative to the general rule, including compliance concerns
- The rule's negative impact on smaller issuers, especially due to the 10% maturity-by-maturity 'substantial amount'/actual-sales requirement
- The need for a safe harbor or alternative standard for competitive deals

BDA's previous issue price letters, including the BDA letter to IRS in May 2015 can be read here.

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