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## **FINRA And The MSRB Issue FAQs On Bond Mark-Up Disclosure: WilmerHale**

On July 12, 2017, the Financial Industry Regulatory Authority (FINRA) and the Municipal Securities Rulemaking Board (MSRB) published new implementation guidance on the bond mark-up disclosure requirements set to take effect next spring.<sup>1</sup> Under amended FINRA Rule 2232 and amended MSRB Rules G-15 and G-30, effective May 14, 2018,<sup>2</sup> dealers will be required to disclose on retail customer confirmations their mark-ups on most municipal and corporate bond transactions, calculated from the bond's prevailing market price (PMP).<sup>3</sup>

Key insights from the new implementation guidance are summarized below. The guidance, provided in the form of frequently asked questions (FAQs), attempts to clarify when and how mark-ups should be disclosed and how to determine PMP, among other topics. Nevertheless, the FAQs may raise new questions as dealers work to overhaul their systems to comply with the controversial new requirements before the May 2018 deadline. FINRA and the MSRB coordinated on the publication of the FAQs, consulting with the Securities and Exchange Commission (SEC) in advance. Both FAQs use the same numbering scheme (followed here), with minimal differences between the two versions.

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