

# **Bond Case Briefs**

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## **BDA Comment Letter: Draft Interpretation of Application of MSRB Rules to Certain Prearranged Trading**

After consultation with various members and committees, the BDA has submitted a comment letter in response to the [MSRB request for comment on draft interpretive guidance](#) concerning the application of MSRB rules and prior interpretive guidance to certain prearranged trading in connection with primary offerings of municipal securities.

**The comment letter can be viewed [here](#).**

**The BDA letter focuses on the following points:**

- Opposition to the extension of issuer restrictions to non-syndicate dealers; and
- The belief that the Guidance should focus on the misrepresentation by a syndicate member as the violation of Rule G-17; and
- The belief that the MSRB should be very clear about the kind of evidence that would establish a violation of G-17; and
- The MSRB should be more precise about the timing of events set forth in the scenarios.

### **Background**

Specifically, the draft interpretive guidance illustrates how MSRB [Rule G-11](#), on primary offering practices, [Rule G-17](#), on the conduct of municipal securities and municipal advisory activities, and other rules and existing interpretive guidance related to certain prearranged trading of primary offerings. The draft guidance would remind dealers of MSRB requirements and how prearranged trading may violate those requirements.

### **Additional Information**

In the summer of 2018 the BDA, at the request of the MSRB, responded to an inquiry on the topic of prearranged trading. The response can be view [here](#).

### **Bond Dealers of America**

March 11, 2019