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BDA Comments on MSRB G-47 and D-15 Proposal.

BDA today filed a comment letter with the MSRB on their proposal to amend Rules G-47 and D-15. BDA did not oppose the G-47 changes and we supported the D-15 proposed amendments.

Rule G-47 is the MSRB's time of trade disclosure rule. It requires dealers to obtain and provide to customers certain material information about an issue at the time they buy or sell the bond. The MSRB's proposal, part of their ongoing retrospective rule review, would make mostly organizational changes to Rule G-47 and related guidance including incorporating guidance into rule text and consolidating or retiring some guidance. The most significant substantive change is a proposal to include three new data items among those that may be material and require customer disclosure: when there is no Official Statement or the OS is available only from the underwriter; whether the issuer has committed to ongoing financial disclosures; and the yield to worst.

Proposed amendments to Rule D-15, the MSRB's rule defining Sophisticated Municipal Market Professional (SMMP), would remove the requirement with respect to a SEC-Registered Investment Advisor (RIA) for a dealer to obtain an attestation from the customer as a condition of that investor having the status of SMMP.

On the G-47 proposed changes, BDA told the MSRB we are "generally not opposed to the Proposal." "Many of the proposed changes reflect codification or reorganization of existing guidance or practices and would not impose significant new burdens," we said. We also told the MSRB "BDA supports the proposed changes to MSRB Rule D-15. We agree with the Proposal that SEC-registered RIAs 'are typically very sophisticated' and 'the burdens associated with obtaining an attestation from these professionals' are not supported 'by the protections afforded to them.'"

Bond Dealers of America

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