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MSRB Requests Comment on Proposal to Consolidate Guidance for Dealers on Obligations to Experienced Investors.

The Municipal Securities Rulemaking Board (MSRB) is seeking comment on a proposal to consolidate guidance for municipal securities dealers who deal with experienced investors called sophisticated municipal market professionals (SMMPs).

Currently, the definition and dealer standards applicable to SMMPs are incorporated in interpretive guidance to MSRB Rule G-17 on fair dealing. The MSRB is proposing to establish a stand-alone definition for SMMPs and a single, comprehensive rule addressing dealers' obligations to SMMPs.

"Consolidating the MSRB's SMMP-related guidance into two stand-alone rules is another step in the MSRB's effort to streamline the many interpretations attached to Rule G-17," said MSRB Executive Director Lynnette Kelly. "We aim to help dealers more easily identify and comply with their obligations to all customers, including the more sophisticated professionals in the market."

In connection with the MSRB's review of Rule G-17's interpretive guidance, the MSRB has also proposed stand-alone rules on time of trade disclosure and suitability. The outcome of these efforts will be a comprehensive package of rules that clarifies Rule G-17 obligations and that is expected to be filed with the Securities and Exchange Commission (SEC) later this year.

Comments on the proposed SMMP rules should be submitted no later than June 12, 2013.

The request for comments, as well as the text of the proposed rules, can be found here:

<http://www.msrb.org/Rules-and-Interpretations/Regulatory-Notices/2013/2013-10.aspx>