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SIFMA Official: SEC Could be Flexible on MA Rule.

BOSTON — Additional guidance from the U.S. Securities and Exchange Commission should provide some clarity to how the proposed trading restrictions under its new municipal advisor registration rule apply to municipal issuers, according to a securities industry official.

“The SEC plans some additional guidelines on the rule and that’s really going to provide some flexibility regarding how the rule will apply,” said Michael Decker, a managing director at the Securities Industry and Financial Markets Association, which represents hundreds of securities firms, banks and asset managers. “We’ve talked with the SEC with regard to the rule, and they seem amenable to some flexibility.”

“Looking as it stands, it puts some pretty severe restraints on bankers to provide deal ideas or comment to a specific issue,” Decker said Thursday at the third annual Massachusetts investor conference at the Boston Convention and Exhibition Center.

Decker expects a statement from the SEC within days.

State Treasurer Steven Grossman gave the keynote address in the morning, citing the conference as a tool for enhanced disclosure. Grossman, a Democratic candidate for governor in 2014, has emphasized expanded disclosure since taking office in 2011. Related moves have included an annual investor conference and frequent investor calls, a new investor website and technical enhancements.

“Federal issues are overriding to all we do,” said Scott Jordan, Massachusetts undersecretary of administration and finance.

Earlier in the day, investors discussed market trends in transportation, higher education and new variable-rate products such as floating rate notes.

Nat Singer, a managing director at Swap Financial Group LLC, said new instruments reflect a changing landscape.

“When I think of the short-term market, it’s the opposite of what our parents told us about how tough they had it, how they had to walk five miles to school through the snow and the rain. Short-term is exactly the opposite,” said Singer. “You used to be able to slap on an insurance policy and sell an asset. You could rate the security with a cheap letter of credit. Then, 2008 happened.”

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