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## **SEC Plans To Act on Many Muni Report Recommendations.**

WASHINGTON — The Securities and Exchange Commission plans to take action on many of the recommendations in its 2012 municipal market report as well as strengthen its oversight of municipal advisors, according to its draft strategic plan released Monday.

The 42-page document lays out the SEC's "mission, vision, values, and strategic goals" for fiscal years 2014 through 2018. Among the topics covered is the nearly two year-old comprehensive muni market report, which was written after a lengthy examination of the market spearheaded by then-commissioner Elisse Walter. That 165-page report recommended a number of both legislative and regulatory changes that Congress and the SEC could make to strengthen transparency in the market.

Among the recommendations for the SEC and the Municipal Securities Rulemaking Board were to require muni dealers to disclose to customers markups and markdowns of riskless principal transactions, and to encourage the use of alternative trading systems.

"The SEC plans to pursue many of the recommendations highlighted in the July 2012 Report on the Municipal Securities Market through a combination of SEC, MSRB, and [Financial Industry Regulatory Authority] initiatives, in an effort to enhance the market structure for all fixed income securities, including taxable and tax-exempt securities," the draft plan states. "This effort will include initiatives aimed at promoting transparency and the development of new mechanisms to facilitate the provision of liquidity, as well as initiatives to improve the execution quality of investor orders."

SEC commissioner Michael Piwowar said last week that he is working with the commission's Office of Municipal Securities on the need to disclose markups and markdowns in riskless principal transactions. The MSRB is working on some other aspects of the report, such as the expansion of MSRB's EMMA website to become a comprehensive central transparency platform and the development of a best execution rule requiring dealers to seek the best price for their customers. The SEC has oversight of the MSRB and must approve its rule proposals.

The plan notes the SEC's mandate, under the Dodd-Frank Act, to regulate municipal advisors, and states that the commission will focus on getting MA's properly registered. The plan is open for public comment until March 10.

BY KYLE GLAZIER

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