

Bond Case Briefs

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MSRB: New Fairness and Pricing Efforts.

The MSRB is moving forward with establishing the first-ever “best-execution” standard for transactions in the municipal market. At its April 2014 meeting, the MSRB Board of Directors agreed to seek approval from the Securities and Exchange Commission on a rule to require dealers to use “reasonable diligence” when handling and executing municipal securities trades for retail investors. The rule aims to improve pricing for retail investors by ensuring dealers have appropriate procedures in place to achieve a price that is as favorable as possible under prevailing market conditions. The rulemaking process is ongoing. [Read the draft best execution rule from February 2014.](#)

The MSRB also is advancing three initiatives to enhance price transparency for municipal securities investors on its Electronic Municipal Market Access (EMMA®) website. The MSRB plans to:

- Introduce a “price discovery tool” on EMMA that will allow investors to easily find and compare prices of municipal securities with similar characteristics and provide a graphical view of historical pricing
- Develop a concept release on the presentation of market information to aid investors in assessing markups or markdowns on their transactions
- Expand the pricing-related data available on EMMA by developing a proposed framework for collecting additional post-trade information for public display and exploring an approach for collecting and disseminating relevant, selected pre-trade data
- These developments will be introduced in the coming months.