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SEC Approves Fair Pricing Rule Consolidation.

WASHINGTON — The Municipal Securities Rulemaking Board got the go-ahead from the Securities and Exchange Commission to consolidate muni dealers' existing fair-pricing obligations into a single rule.

Effective July 7, all pricing-related obligations will be contained in revised MSRB Rule G-30 on prices and remuneration, the MSRB said Monday. The revised rule will replace but not alter the meaning of parts of Rules G-18 on execution of transactions and G-30 on prices and commissions, and incorporate existing guidance regarding fair pricing currently included in interpretive guidance to MSRB Rules G-17 on fair dealing and G-30. The consolidation is part of the MSRB's effort to streamline interpretive guidance, especially on G-17, which has ballooned to many pages over the years.

"The MSRB continues to focus on opportunities to further improve our Rule Book to better highlight key principles and support regulatory efficiency and compliance," said MSRB executive director Lynnette Kelly. "Consolidating all fair-pricing rules and interpretations into a single rule is an important step forward in this effort."

The consolidated rule will continue to require dealers to use a "fair and reasonable" standard for the pricing of muni securities. The Securities Industry and Financial Markets Association had previously asked the SEC not to approve a new pricing rule until dealers received more guidance on how pricing requirements are related to the board's proposal to adopt a best execution standard requiring dealers to use "reasonable diligence" to achieve for their customers a price that is as favorable as possible under prevailing market conditions. The MSRB announced last week it would seek SEC approval on that rule proposal as well.

BY [KYLE GLAZIER](#)

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