

# **Bond Case Briefs**

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## **BDA Submits Comment Letters: FINRA and MSRB Proposed Pricing Reference Disclosure Rules.**

Today, BDA submitted comment letters to both FINRA and MSRB in response to their request for comment on a proposed rule to require a pricing reference disclosure on certain retail-size fixed income trades.

BDA submitted an identical comment letter to both FINRA and MSRB in response to their request for comment on a proposed rule to require a pricing reference disclosure on certain retail-size fixed income trades. The BDA's letter can be accessed [here](#).

The BDA's letter focuses on several core issues with the proposed rule.

- Regulators have yet to explore or even begin to understand what this proposal means from a day-to-day operational standpoint for dealers. BDA requests that regulators engage in a feasibility study in order to be informed of the operational and technological impact of this proposal.
- The scope of the universe of trades that the proposed rule applies to is too broad and is not based on any empirical, market-based data. BDA urges regulators to provide a data-driven explanation for why the time scale and trade size makes sense.
- The proposed disclosure would trigger a requirement to disclose information to investors that is incomplete and potentially misleading without the appropriate context.
- BDA urges regulators to explore alternatives to the proposed rule that would allow the regulators to meet their goals through improvements to EMMA and TRACE.
- BDA urges regulators to allow dealers to make the specialized disclosure in whichever way best fits with their existing system capabilities.
- Finally, BDA urges regulators to exclude 'retail-size' trades with sophisticated institutional investors from the scope of the proposed rule. Additionally, BDA urges regulators to focus the proposed rule on secondary market trades and exclude primary market transactions.

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