

# **Bond Case Briefs**

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## **MSRB Links Effective Date for Best-Execution Rule to Publication of Guidance.**

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) announced today it is linking the effective date of its new “best-execution” rule for retail investor transactions to the publication of implementation guidance so that municipal securities dealers will have sufficient time to review the forthcoming guidance. The MSRB [filed documents](#) with the Securities and Exchange Commission (SEC) to establish the effective date of the new rule four months from the publication date of the MSRB’s implementation guidance. [MSRB Rule G-18](#), on best execution, with related amendments to MSRB Rules G-48 and D-15, requires dealers to seek the most favorable terms reasonably available for their retail customers’ transactions.

The MSRB is coordinating with the SEC and the Financial Industry Regulatory Authority (FINRA) to achieve substantive consistency, as appropriate, in the guidance on best execution for the municipal and corporate bond markets, with the goal of promoting regulatory efficiency across the fixed income markets. Linking the effective date of the best-execution rule to the publication of the guidance will establish a clear implementation period and ensure that dealers have adequate time to review and make use of the guidance as they continue to prepare to comply with the new rule. The MSRB will announce the specific effective date of the rule upon publication of the implementation guidance.

“The MSRB is continuing to coordinate with the SEC and FINRA with the goal of publishing best-ex implementation guidance in short order,” said MSRB Executive Director Lynnette Kelly. “Facilitating dealers’ compliance with their new obligations and ensuring that retail investors consistently receive the benefit of fair handling of their orders to buy or sell municipal securities is a top priority for the MSRB.”

The MSRB’s adoption of the best-execution rule—a key investor protection provision—supports existing MSRB fair-pricing rules, promotes fair competition among dealers and aligns with a recommendation in the SEC’s 2012 Report on the Municipal Securities Market. The SEC report also recommended that the MSRB provide guidance on how best-execution concepts would be applied to municipal securities transactions.

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