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MSRB Provides Implementation Guidance on Best-Execution Rule.

Alexandria, VA - The Municipal Securities Rulemaking Board (MSRB) today published implementation guidance to assist municipal securities dealers in complying with the MSRB's new rule on "best execution" for municipal securities transactions, taking effect March 21, 2016.

[MSRB Rule G-18](#), approved by the Securities and Exchange Commission (SEC) in December 2014, requires dealers to seek the most favorable terms reasonably available for their retail customers' transactions. The adoption of this key investor protection provision supports existing MSRB fair-pricing rules, promotes fair competition among dealers, and aligns with recommendations in the SEC's 2012 Report on the Municipal Securities Market.

"The MSRB is issuing this guidance to facilitate dealers' compliance with their new obligations and ensure that retail investors consistently receive the benefit of fair handling of their orders to buy or sell municipal securities," said MSRB Executive Director Lynnette Kelly.

The MSRB's guidance addresses how best-execution concepts, including the standard of "reasonable diligence," applies to municipal securities transactions. The guidance also addresses the exemption from the new obligation for transactions with sophisticated municipal market professionals (SMMPs). [Read the implementation guidance.](#)

As part of its effort to promote regulatory efficiency and consistency across the fixed income markets, the MSRB coordinated with the Financial Industry Regulatory Authority (FINRA) on the finalization of the implementation guidance.

Date: November 20, 2015

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