

Bond Case Briefs

Municipal Finance Law Since 1971

BDA Submits Letter to SEC Regarding MSRB Amendment #2 to Proposed Rule G-42.

The BDA submitted a letter to the SEC in response to MSRB Amendment #2 in relation to proposed MSRB Rule G-42, on duties of non-solicitor municipal advisors.

Our letter retains our previously stated request that the SEC disapprove Proposed Rule G-42 as written since the amendment has not materially changed the Proposed Rule to make it workable for issuers and dealers.

Specifically, we address the following:

- We do not believe that Amendment No. 2 provides a meaningful and useful exception to the principal transaction ban because there are too many limitations for the exception to be useful
- The consent and disclosure requirements necessary to take advantage of the exemption to the transaction ban are entirely too burdensome to be useful
- We do not believe that dealers will use this exemption in any meaningful way unless the requirements are substantially reduced or unless the MSRB creates a more encompassing exemption from the principal transaction ban for brokerage services

You can find BDA's letter [here](#).

12-01-15