

# **Bond Case Briefs**

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## **BDA Submits Comment Letter to MSRB Regarding Proposed Amendments to Shorten the Settlement Cycle.**

The BDA submitted a comment letter to the MSRB in response to its request for comment on proposed amendments to MSRB Rules to facilitate the shortening of the municipal securities settlement cycle.

The BDA's comment letter focused on concerns regarding the potential impact a T+2 settlement cycle would have on middle market securities dealers.

Specifically, we address the following:

- BDA believes the proposed rule will make clearing and settling transactions more efficient, reducing risk in the marketplace, but concerns remain with regard to the implementation aspect of the Proposed Amendments
- Transactions occurring in the secondary market for municipal securities should follow the proposed T+2 settlement cycle as opposed to a "blanket" requirement for all transactions, including those for new issue markets
- We caution that the impact of shortening the settlement cycle will filter through other regulations tied to the settlement date of a municipal security, potentially resulting in new regulatory burdens for dealers You can find our final letter [here](#).

12-10-2015