

# **Bond Case Briefs**

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## **FINRA Approves Enhanced Price Disclosure to Retail Investors in Fixed-Income Securities.**

WASHINGTON, D.C. — The Financial Industry Regulatory Authority’s Board of Governors today approved a proposal designed to help retail customers understand and compare transaction costs in fixed-income securities. The proposal, subject to the approval of the Securities and Exchange Commission, would require member firms to disclose on retail customer confirmations the “mark-up” or “mark-down” for most transactions in corporate and agency debt securities.

“FINRA has found that some individual investors pay considerably more than others for similar trades. Providing meaningful and useful pricing information will assist customers in monitoring costs, promote transparency into firms’ pricing practices, and help enhance investor confidence in the market,” said Richard Ketchum, FINRA Chairman and CEO.

The proposal would require that if a firm sells or buys a corporate or agency fixed-income security from a retail customer and on the same day buys or sells the same security as principal from another party, the firm would have to disclose on the customer confirmation the firm’s mark-up or mark-down from the prevailing market price for the security. The confirmation would also have to include a reference (and hyperlink if the confirmation is electronic) to trade-price data in the same security from TRACE, FINRA’s Trade Reporting and Compliance Engine.

The disclosure requirement will not apply to transactions in fixed-price new issues, or in situations where the bonds sold to the retail customer (or bought from the customer) were held by the firm longer than one day.

FINRA, the Financial Industry Regulatory Authority, is the largest independent regulator for all securities firms doing business in the United States. FINRA is dedicated to investor protection and market integrity through effective and efficient regulation and complementary compliance and technology-based services. FINRA touches virtually every aspect of the securities business – from registering and educating all industry participants to examining securities firms, writing rules, enforcing those rules and the federal securities laws, and informing and educating the investing public. In addition, FINRA provides surveillance and other regulatory services for equities and options markets, as well as trade reporting and other industry utilities. FINRA also administers the largest dispute resolution forum for investors and firms. For more information, please visit [www.finra.org](http://www.finra.org).

Friday, February 26, 2016

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