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MSRB to Shorten Time Frame for Resolving Open Inter-Dealer Transactions.

Washington, DC - The Municipal Securities Rulemaking Board (MSRB) [received approval from the Securities and Exchange Commission \(SEC\) to shorten the time frame during which municipal securities dealers must resolve open inter-dealer failed transactions](#) thereby reducing the cost and market risk associated with open transactions.

The SEC's approval of changes to [MSRB Rule G-12](#) mandates that beginning November 16, 2016, inter-dealer failed transactions be closed out within 10 calendar days with an allowance for an additional 10 calendar day extension at the buyer's discretion. [Read details of the rule change in the regulatory notice.](#)

"Market support for this rule change reflects the extent to which dealers are committed to improving efficiencies in the municipal market," said MSRB Executive Director Lynnette Kelly. "Dealers share the MSRB's desire for prompt resolution of open transactions. A shortened close-out period provides investors with additional certainty about their purchases and reduces risks for dealers."

Acceleration of the MSRB's close-out procedures stems from its effort to promote regulatory efficiency by revising, reorganizing or retiring certain outdated MSRB rules and interpretive guidance following an assessment of current market practices and input from market participants. Rule changes resulting from the review seek to promote more effective and efficient compliance for regulated entities, and to align MSRB rules with those of other self-regulatory organizations or government agencies where appropriate.

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