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[BDA Files Letter on FINRA Margin Rule.](#)

Continuing to provide lead advocacy, BDA today [filed a comment letter](#) on a [FINRA proposal to amend FINRA Rule 4210](#) to apply to trades in when-issued securities with long delivery times. The changes generally specify that firms must collect margin for customers for trades in securities with settlement times longer than standard. Alternatively, firms can take capital charges in lieu of margin. There are several significant exceptions to the Rule. The current compliance implementation deadline for the Rule is October 24, 2021.

In our letter we argue that the Rule disadvantages regional and mid-size firms relative to bulge brackets because most mid-size firms customers do not have margin agreements in place, making collecting margin practically impossible. The capital charge provision helps, but regional firms generally have less capital than bulge brackets, to begin with, and these amendments place more demand on mid-size firms' limited capital than on large firms'. In addition, we argue for extending proposed exceptions for when-issued government and municipal securities to match issuer practices.

In addition to the current proposal on when-issued trades, FINRA has released a separate proposal to address margining for agency MBS with an extended settlement. BDA will comment separately on that initiative.

As always, please call or write if you have any questions.

Bond Dealers of America

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