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Application of Regulation Best Interest to Bank Dealers: SIFMA Comments

SUMMARY

SIFMA sent [comments](#) to the MSRB regarding Notice 2021-06 (the “Notice”), which proposes an amendment to MSRB Rule G-19 that would require bank dealers to comply with Securities Exchange Act Rule 15c-1 (“Regulation Best Interest”) when making recommendations of securities transactions or investment strategies involving municipal securities to retail customers.

SIFMA supports the proposed amendment to extend Regulation Best Interest to bank dealers, as defined in the Notice. Although our members do not normally conduct retail activity through their affiliated banks that would implicate this rule, we believe that regulatory parity among regulated entities, which this amendment achieves, is a worthwhile goal.