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MSRB Proposes to Align Muni Trade Settlement with SEC Rule.

The MSRB [proposed](#) to amend [MSRB Rule G-12](#) (“Uniform Practice”) and [MSRB Rule G-15](#) (“Confirmation, Clearance, Settlement and Other Uniform Practice Requirements with Respect to Transactions with Customers”) “to define regular-way settlement for municipal securities transactions as occurring one business day after the trade date”. The proposed MSRB amendments would align with recent SEC rule amendments to shorten the settlement cycle ([see previous coverage](#)).

Under amended [SEC Rule 15c6-1](#) (“Settlement Cycle,”) the regular settlement cycle for most broker-dealer transactions was shortened from two business days after the trade date (“T+2”) to one business day after the trade date (“T+1”). The MSRB believes that the regular-way settlement cycles for municipal securities should be consistent with those for equity and corporate bond transactions and said that shortening this period is consistent with its strategic goal of modernizing the MSRB Rule Book.

The MSRB is requesting the proposed rule change be approved with an effective date of May 28, 2024, to align with the effective date of amended Rule 15c6-1.

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