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AMENDMENT TO MARKUP/MARKDOWN DISCLOSURES (FINRA RULE 2232 AND MSRB RULE G-15, G30)

The Municipal Securities Rulemaking Board (“MSRB”) and Financial Industry Regulatory Authority (“FINRA”) have amended rules G-15, G-30 and FINRA Rule 2232 to require dealers to disclose the compensation received (referred to as “markups” throughout) on certain municipal and corporate debt transactions. These disclosures must appear on confirmations sent to non-institutional (“retail”) clients, based on the security’s prevailing market price (“PMP”). The rules were approved by the Securities and Exchange Commission (“SEC”) in November 2016, with both FINRA and the MSRB publishing implementation related guidance (“FAQs”) on July 12, 2017.¹ The rules become effective on May 14, 2018

<http://www.finra.org/industry/notices/17-08>

<http://www.msrb.org/~media/Files/Regulatory-Notices/Announcements/2018-05.ashx>