

2018-06

**Publication Date**

April 4, 2018

**Stakeholders**

Municipal Securities  
Dealers, Investors

**Notice Type**

Informational Notice

**Category**

Fair Practice; Uniform  
Practice

**Affected Rules**

[Rule G-15](#), [Rule G-30](#)

## MSRB Provides Investor Education Resources on New Mark-Up Disclosure Requirements

### Overview

To support investor awareness and understanding of information about mark-up and mark-down disclosures that will begin appearing on certain municipal securities trade confirmations, the Municipal Securities Rulemaking Board (MSRB) today made available new and updated investor education resources. Brokers, dealers and municipal securities dealers (collectively, “dealers”), particularly retail broker networks, that work with individual investors may find the documents helpful as they adapt to the new disclosure standard.

All relevant educational resources are accessible in the [“Buying and Selling Bonds” section of the MSRB’s free online Education Center](#). A new document, titled *What is Mark-up?*, describes mark-ups and mark-downs for investors and explains how to review information on a trade confirmation. An updated resource, *Understanding Your Confirmation*, provides an overview of the information investors can expect to find on their trade confirmation, including a direct link to more information about the municipal security on the MSRB’s [Electronic Municipal Market Access \(EMMA®\) website](#). Content from the MSRB’s Education Center may be printed, shared or redistributed according to the [Terms and Conditions](#). The new confirmation disclosure requirements are scheduled to take effect May 14, 2018.

Publication of these educational resources supports National Financial Capability Month and is the latest in a series of ongoing MSRB efforts to enhance understanding of the new mark-up and mark-down disclosures. In July 2017, the MSRB published a set of answers to frequently asked questions (FAQs) for dealers seeking to comply with the new disclosure requirements. In February 2018, the MSRB made available to all market stakeholders, including dealers and investors, a free online [MuniEdPro®](#) course, [Mark-up Disclosure and Prevailing Market Price for Municipal Securities](#), which is available at no cost through May 14, 2018. In March 2018, the MSRB followed up these efforts by publishing new and updated



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FAQs. In addition, before the effective date of the new requirements, the MSRB will be unveiling investor-focused improvements to the design and navigation of the EMMA website, including enhanced display of information about a specific security that will be accessible from the direct link on customer confirmations. The enhanced security-specific webpage will provide investors with more intuitive access to interactive graphs of trade prices and yields, a searchable listing of important disclosure documents, and links to relevant educational documents.

Providing educational resources is fundamental to the MSRB's mission to protect investors. The MSRB's [Education Center](#) provides in a single location, free information to help investors make decisions about municipal bonds and have informed conversations with their financial professionals.

## Background

Generally, amendments to [MSRB Rule G-15](#) will require dealers to disclose additional information on retail customer confirmations for a specified class of principal transactions, including the dealer's mark-up or mark-down as determined from the prevailing market price of the security. Additional amendments to [MSRB Rule G-30](#) provide guidance on prevailing market price for the purpose of determining mark-ups and mark-downs and other Rule G-30 purposes. These amendments are designed to enhance the transparency of costs associated with municipal security transactions for retail investors and to provide them with valuable access to pricing and related information about their municipal securities. The MSRB recognizes that investor education plays an important role in achieving the desired goal of greater understanding of transaction costs in the municipal market.

Questions concerning this notice may be directed to Ritta McLaughlin, Chief Education Officer, at 202-838-1500.

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