

2019-15

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**Retrospective Rule  
Review**



**Stakeholders**  
Municipal Securities  
Dealers

**Notice Type**  
Approval Notice

**Effective Date**  
January 13, 2020

**Category**  
Fair Practice; Market  
Transparency

**Affected Rules**  
[Rule G-11](#), [Rule G-32](#)

## SEC Approves Amendments to MSRB Rules and Data Collection Related to Primary Offering Practices

### Overview

The Municipal Securities Rulemaking Board (MSRB) received approval from the U.S. Securities and Exchange Commission (SEC or “Commission”) on June 27, 2019 of amendments to MSRB Rule G-11, on primary offering practices, MSRB Rule G-32, on disclosures in connection with primary offerings and MSRB Form G-32, regarding a collection of data elements provided in electronic format to the Electronic Municipal Market Access Dataport (the “EMMA® Dataport”)<sup>1</sup> system in connection with primary offerings.<sup>2</sup>

### Effective Dates

The compliance date for the amendments to Rule G-11 and Rule G-32 will become effective on January 13, 2020.

With respect to the amendments to Form G-32, the MSRB will publish one or more regulatory notices within 180 days that will specify the compliance dates for those changes. The MSRB will make amended Form G-32 as well as the updated EMMA Dataport Manual for Primary Market Submissions and the Specifications for Primary Market Submissions Service document<sup>3</sup>

<sup>1</sup> EMMA® is a registered trademark of the MSRB. The EMMA Dataport is the submission portal through which information is provided for display to the public on EMMA.

<sup>2</sup> [Release No. 34-86219 \(June 27, 2019\) \(File No. SR-MSRB-2019-07\)](#).

<sup>3</sup> The [EMMA Dataport Manual for Primary Market Submissions](#) describes the requirements of MSRB Rule G-32 for underwriters to submit primary offering disclosure documents and information to EMMA and gives instructions for making such submissions. Rule G-32 requires that such submissions be made as set forth in the EMMA Dataport Manual. The [Specifications for Primary Market Submissions Service document](#) instructions for making continuous submissions of multiple offerings of securities to the EMMA Dataport and contains figures for making submissions to the EMMA Dataport through a computer-to-computer interface.



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available to underwriters in advance of relevant compliance date(s) to aid them in completing the amended form.

Questions about this notice may be directed to Margaret Blake, Associate General Counsel, at 202-838-1500.

## Summary of the Amendments

As part of its ongoing retrospective rule review initiative, the MSRB considered how its existing rules governing primary offering practices apply in the current market.<sup>4</sup> The MSRB has designed the rule changes described in this Notice to update and enhance the general practices undertaken by underwriters and others, as applicable, in a primary offering of municipal securities.

### Rule G-11 – Primary Offering Practices

In its review of Rule G-11, the MSRB found there were opportunities to enhance regulatory transparency, equalize information dissemination in primary offerings, reinforce aspects of Rule G-11 to selling group members regarding their existing obligations under the rule and align the mandatory time frames for certain payments to syndicate members in order to reduce credit risk. In addition, the MSRB recognized an opportunity to make a technical change that would make the rule consistent with industry practice.

As described in more detail below, the amendments to Rule G-11 will require the senior syndicate manager to disseminate “free-to-trade” information to all syndicate and selling group members at the same time, thus eliminating any potential for unfair advantages in secondary market trading that could result from having advance notice that an issue is free-to-trade. The rule amendments also will require the senior syndicate manager in a primary offering to provide the issuer with information relating to designations, group net sales credits and allocations of the securities in a primary offering

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<sup>4</sup> In 2012, the MSRB began revisiting its rules and their interpretations to help ensure that they continue to achieve their intended purposes and take into account the current state of the municipal securities market. This retrospective rule review has led to multiple rule changes or amendments based on themes such as regulatory consistency, efficiency and modernization. For more information on the MSRB’s retrospective rule review efforts, see [more about the MSRB’s retrospective rule review](#).

In September 2017, prior to approving these rule changes and authorizing a filing with the SEC, [the MSRB requested comment](#) on a concept proposal regarding possible amendments to primary offering practice rules for dealers. As a result of the comments received, in July 2018, [the MSRB published a request for comment](#) on draft rule changes related to primary offering practices. Following review of the comments received, the MSRB conducted additional stakeholder outreach to further understand views and concerns.

and will codify a selling group member's existing obligation to comply with the issuer terms and conditions, priority provisions and order period requirements, as communicated to them. Finally, the amendments will codify existing market practices with regard to the timing of retail order period representations and required disclosures.

Codify that selling group members have an existing obligation to comply with communications related to the issuer terms and conditions, priority provisions and order period requirements

The amendment to Rule G-11(f) will codify an existing obligation of selling group members to comply with the written communications they receive from the senior syndicate manager relating to, among other things, issuer requirements, priority provisions and order period requirements.<sup>5</sup> This amendment highlights that selling group members must comply with the priority provisions and other issuer terms and conditions when they receive written notification of such from the syndicate manager.

Require the senior syndicate manager to communicate to all syndicate and selling group members, at the same time, when the issue is free to trade

In a primary offering of municipal securities where a syndicate is formed (*i.e.*, not a sole-managed offering), a free-to-trade wire is sent by the senior syndicate manager to syndicate members once all the municipal securities in the issue or particular maturity (or maturities) are free to trade. That is, the free-to-trade wire communicates to members of the syndicate that they may trade the bonds in the secondary market at market prices that could be the same or different than the initial offering price.<sup>6</sup>

The amendment will add a new subsection (ii) to Rule G-11(g) to require the senior syndicate manager to notify all members of the syndicate and selling

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<sup>5</sup> For additional background, see Release No. 34-85551 (April 8, 2019), 84 FR 14988 at 14990 (April 12, 2019) (File No. SR-MSRB-2019-07).

<sup>6</sup> For purposes of reporting transactions after the free-to-trade information has been disseminated, the MSRB has indicated that once a new issue has been released for trading (*i.e.*, is free to trade), normal transaction reporting rules will apply to the syndicate managers, syndicate members and selling group members. See [Release No. 34-49902](#) (Jun. 22, 2004), 69 FR 38925 (Jun. 29, 2004) (File No. SR-MSRB-2004-02). See also Release No. 34-75039 (May 22, 2015), 80 FR 31084 (Jun. 1, 2015) (File No. SR-MSRB-2015-02) wherein the SEC approved amendments to MSRB Rule G-14 to expand the application of these reporting requirements to distribution participants.

group, at the same time via free-to-trade wire or electronically by other industry-accepted method of communication, that the offering is free to trade in the secondary market at a price that is the same or different than the initial offering price.<sup>7</sup>

The MSRB believes equal access to information is important to the fair and effective functioning of the market for primary offerings of municipal securities. Therefore, requiring dissemination of this information for receipt by all syndicate and selling group members at the same time will prevent preferential access to the free-to-trade information (*i.e.*, the fact that they are then able to commence selling bonds at market prices) by some while other syndicate and selling group members, who are not aware of the information, are delayed in knowing that they may transact at prices other than the initial offering price.<sup>8</sup>

Require the senior syndicate manager to provide information required under Rule G-11(g)(ii) and (iii) to issuers in a primary offering

Rule G-11(g)(ii) requires, in part, the senior syndicate manager, within two business days following the date of sale, to disclose to the syndicate, in writing, a summary by priority category of all allocations of securities accorded priority over member orders. Rule G-11(g)(iii) requires the senior syndicate manager to disclose, in writing and as set forth in the rule, to each member of the syndicate information on the designations paid to syndicate and non-syndicate members.<sup>9</sup> The amendment will modify Rule G-11(g)(ii) and (iii)<sup>10</sup> to require the senior syndicate manager to comply with the information-dissemination provisions of this rule with respect to issuers in addition to syndicate members. This will ensure that issuers will have access

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<sup>7</sup> The other provisions of Rule G-11(g) will be renumbered accordingly to account for this addition.

<sup>8</sup> The MSRB understands that methods of communication evolve and change over time. The MSRB is not dictating the timing of when, or the form of how, the free-to-trade communication should be sent. The amendment requires dissemination of this information electronically by an industry-accepted method to all syndicate and selling group members at the same time.

<sup>9</sup> “Designation” typically refers to the percentage of the takedown or spread that a buyer directs the senior syndicate manager to credit to a particular syndicate member (or members) in a net designated order. “Allocation” generally refers to the process of setting securities apart for the purpose of distribution to syndicate and selling group members. See [MSRB Glossary of Municipal Securities Terms](#).

<sup>10</sup> Currently, these provisions are Rule G-11(g)(ii) and (iii). However, with the addition of Rule G-11(g)(ii) noted above, these provisions will become Rule G-11(g)(iii) and (iv).

to the same information at the same time as the syndicate, thereby better informing issuers of the orders and allocations of their primary offering.

Align the timeframe for the payment of group net sales credits with the payment of net designation sales credits

Currently, Rule G-11(i) states that the final settlement of a syndicate or similar account shall be made within 30 calendar days following the date the issuer delivers the securities to the syndicate. Group net sales credits (*i.e.*, those sales credits for orders in which all syndicate members benefit according to their participation in the account) are paid out of the syndicate account when it settles pursuant to Rule G-11(i). As a result, syndicate members may wait 30 calendar days following receipt of the securities by the syndicate before they receive their group net sales credits. By contrast, Rule G-11(j) states that sales credits due to a syndicate member as designated by an investor in connection with the purchase of securities (“net designation payments”) shall be distributed within 10 calendar days following the date the issuer delivers the securities to the syndicate. The amendment will modify Rule G-11(j) to align the current timeframe for the payment of group net sales credits with the existing timeframe for the payment of net designation sales credits.

The MSRB believes aligning the time frames for the payment and receipt of sales credits will ensure uniform practice in making and receiving such payments in a timely manner. In addition, this change will reduce credit risk by decreasing the exposure of syndicate trading account members to the potential deterioration in the credit of the syndicate or account manager during the pendency of account settlements. The MSRB further believes that the time period of 10 calendar days will provide balance between reducing risk of exposure of co-managers and the credit risk of the senior manager while still providing the senior syndicate manager with the time needed to process and pay the sales credits

As a result of the alignment of these payments, information that is currently provided within 30 calendar days of delivery of securities to the syndicate under Rule G-11(h)(ii)(B) will now be provided within 10 business days following the date of sale under revised Rule G-11(g)(iv), and within 10 calendar days following the date the issuer delivers the securities to the syndicate pursuant to Rule G-11(j).

Technical Amendment to Rule G-11(k)

The MSRB also is amending Rule G-11(k) to codify existing market practices with regard to retail order period representations and required disclosures.

Section (k) currently requires dealers who submit orders during a retail order period to provide certain representations and disclosures “[f]rom the end of the retail order period but no later than the Time of Formal Award. . .”.<sup>11</sup> The MSRB understands, however, that, in practice, dealers using electronic order entry systems typically submit these representations and disclosures earlier than the end of the retail order period, which is technically not within the four corners of the timeframe specified in the rule. As a result, the MSRB is amending the rule to require that the representations and disclosures be made no later than the Time of Formal Award. The MSRB believes this will align the rule with existing industry practice without compromising the protection of issuers or investors, which is consistent with the MSRB’s goals in conducting the retrospective rule review.

### **Rule G-32 – Disclosures in Connection with Primary Offerings**

#### Provide equal access to advance refunding documents and related information<sup>12</sup>

Currently, Rule G-32(b)(ii) requires advance refunding documents and applicable Form G-32 information be submitted to EMMA Dataport, no later than five business days after the closing date for the primary offering. However, the MSRB understands that in some instances, some market participants may be informed of the advance refunding details before the information is submitted and made public on EMMA.

As amended, Rule G-32(b)(ii) will require that in an advance refunding, where advance refunding documents are prepared, the underwriter must provide access to the documents on EMMA to the entire market at the same time.<sup>13</sup>

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<sup>11</sup> Rule G-11(k) cross references Rule G-34(a)(ii)(C)(1)(a) to define “time of formal award” as, for competitive issues, the later of the time the issuer announces the award or the time the issuer notifies the underwriter of the award, and for negotiated issues, the later of the time the contract to purchase the securities from the issuer is executed or the time the issuer notifies the underwriter of its execution.

<sup>12</sup> In general, advance refunding issues are those municipal bonds issued more than 90 days before the redemption of the refunded bonds. See [MSRB Interpretive Guidance - Current Refundings](#) (Aug. 8, 1991).

<sup>13</sup> This means underwriters will be precluded from disseminating advance refunding documents and information to any market participant, without first submitting it to the EMMA Dataport, provided that this restriction does not prohibit communication with anyone that may require such information for purposes of facilitating the completion of the transaction.

Eliminate the requirement that a dealer financial advisor that prepares the official statement must make it available to the managing or sole underwriter after the issuer approves it for distribution

The amendments to Rule G-32 will repeal the requirement under Rule G-32(c) that a dealer financial advisor that prepares an official statement on behalf of an issuer with respect to a primary offering of municipal securities make the official statement available to the managing underwriter or sole underwriter in a designated electronic format promptly after the issuer approves its distribution.

Rule G-32 was adopted in 1977 to ensure that investors purchasing new issue municipal securities are provided with all available information relevant to their investment decision by the time of the settlement of the transaction.<sup>14</sup> The MSRB has recognized that the MSRB cannot prescribe the content, timing, quantity or manner of production of the official statement by the issuer or its agents.<sup>15</sup> Thus, the MSRB crafted Rule G-32(c) to ensure that once the official statement is completed and approved by the issuer, dealers acting as financial advisors would be obligated to begin the dissemination process promptly. The MSRB noted that the requirement under Rule G-32(c) was not meant to diminish a dealer's obligations under the SEC's Securities Exchange Act Rule 15c2-12(b)(3), which requires that an underwriter contract with the issuer or its agent to obtain copies of the official statement within the time period mandated by the rule. According to the SEC, the purpose of this provision is to "facilitate the prompt distribution of disclosure documents so that investors will have a reference document to guard against misrepresentations that may occur in the selling process."<sup>16</sup>

The MSRB understands that several participants in a primary offering may be responsible for preparing the official statement, and while dealers acting as financial advisors and non-dealer municipal advisors may be engaged to review and contribute to portions of the document, they are less frequently engaged to "prepare" the official statement as they might have been in the past. Therefore, while the goal of Rule G-32(c) is consistent with the overall goal of Rule G-32 and Exchange Act Rule 15c2-12(b)(3), that is, to facilitate

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<sup>14</sup> See File No. SR-MSRB-77-12 (Sept. 20, 1977). The SEC approved Rule G-32 in Release No. 34-15247 (Oct. 19, 1978), 43 FR 50525 (1978).

<sup>15</sup> See Release No. 34-40230 (July 17, 1998); 63 FR 40148 (July 27, 1998) (File No SR-MSRB-97-14).

<sup>16</sup> See Release No. 34-26985 (June 28, 1989); 54 FR 28799 at 28805 (Jul. 10, 1989).

the prompt distribution of the official statement to the market and investors, this section of the rule itself is limited in such a way that its usefulness in the current market is questionable. The MSRB understands that Rule G-32(c) requirements apply to a limited universe of market participants (*i.e.*, dealers acting as financial advisors that prepare the official statement), which leaves a gap such that Rule G-32(c) does not extend to parties other than dealers acting as financial advisors who prepare the official statement.<sup>17</sup>

The MSRB believes any harm in the market related to the obligations of MSRB regulated persons to deliver official statements would not be resolved by Rule G-32(c) regardless of whether dealers acting as financial advisors and non-dealer municipal advisors are required to comply. As noted above, given the narrow group to which Rule G-32(c) currently applies, the MSRB believes the scope of Rule G-32(c) may be too limited to have any significant impact on the official statement delivery requirements.

The MSRB understands that the obligation under Exchange Act Rule 15c2-12(b)(3) for an underwriter to contract with the issuer or its agent to receive the official statement within a defined period of time already ensures that the underwriter would receive the official statement within a certain period of time regardless of the party preparing it, and that the additional imposition of a delivery requirement under MSRB rules is unnecessary.

### **Changes to Form G-32**

The amendments to Form G-32 will add 57 data fields<sup>18</sup> to capture data that an underwriter already is required to input into the Depository Trust Company's (DTC) New Issue Information Dissemination Service (NIIDS), as applicable, for NIIDS-eligible offerings.<sup>19</sup> These new Form G-32 data fields will

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<sup>17</sup> For example, the MSRB understands that bond counsel or underwriter's counsel frequently prepares the official statement on behalf of the issuer and may seek input on various components from the underwriter or the municipal advisor. However, Rule G-32(c) does not apply to bond counsel or underwriter's counsel, and the MSRB does not have jurisdiction over these parties in any event. Therefore, if these parties were engaged to prepare the official statement for the issuer, they would not be subject to the requirements of Rule G-32(c).

<sup>18</sup> See Attachment A hereto for a list of the 57 data fields.

<sup>19</sup> NIIDS is an automated, electronic system that receives comprehensive new issue information on a market-wide basis for the purposes of establishing depository eligibility and immediately re-disseminating the information to information vendors supplying formatted municipal securities information for use in automated trade processing systems. See Rule G-34(a)(ii) regarding the application for depository eligibility and dissemination of new issue information and the exclusion of certain issues as set forth in that subsection.

be auto-populated, as applicable, by NIIDS submissions made by the underwriter, pursuant to Rule G-34 or otherwise required for NIIDS eligibility.<sup>20</sup> By adding these data fields to Form G-32, the MSRB ensures its continued access<sup>21</sup> to relevant and accurate new issue information. For non-NIIDS-eligible offerings, the underwriter will be required to manually complete the data field that indicates the original minimum denomination of the offering. The underwriter in a non-NIIDS-eligible offering will not be required to manually complete the other 56 additional fields.

Currently, the MSRB, certain securities data providers, other regulators and industry participants that have established a communications link with DTC have access to NIIDS data in real time. Additionally, the MSRB may publicly disseminate some or all of the information in the future.

In addition to the data fields auto-populated by NIIDS submissions, the amendment also will add nine data fields to Form G-32 for manual completion by underwriters in NIIDS-eligible offerings, as applicable.<sup>22</sup> Of

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DTC sets forth the criteria for making a security depository eligible and thus NIIDS eligible. According to DTC, securities that can be made depository eligible include those that have been issued in a transaction that: (i) has been registered with the SEC pursuant to the Securities Act of 1933, as amended (“Securities Act”); (ii) was exempt from registration pursuant to a Securities Act exemption that does not involve (or, at the time of the request for eligibility, no longer involves) transfer or ownership restrictions; or (iii) permits resale of the securities pursuant to Rule 144A or Regulation S under the Securities Act, and, in all cases, such securities otherwise meet DTC’s eligibility criteria. *See The Depository Trust Company, Operational Arrangements at p. 2 (June 2019).*

<sup>20</sup> An underwriter currently completes data fields in NIIDS that are applicable to the particular primary offering. Not all NIIDS data fields are completed in a typical primary offering and thus, the Form G-32 data fields will not all be auto-populated for every offering. Specifically, for a newly issued municipal security an underwriter must input the key data elements required for the reporting, comparison, confirmation, and settlement of trades in municipal securities (“NIIDS Data Elements”) into NIIDS. NIIDS Data Elements are defined as data needed for trade reporting, trade matching and to set up trade confirmations. Additional data elements are also needed for a municipal security to settle at DTC (*i.e.*, settlement eligible data). *See The Depository Trust Company, Operational Arrangements at p. 11 (June 2019).*

<sup>21</sup> As used herein, “continued access” means that MSRB will be able to obtain and, if it determines to do so, disseminate information, independent of integrated data from a third-party or utilities.

<sup>22</sup> The MSRB notes that not all nine data fields will be required in every NIIDS-eligible offering, as an underwriter is only required to complete those data fields that apply to the particular offering. The data fields are largely “yes” or “no” indicators and other information generally available to the underwriter.

these nine data fields, underwriters in non-NIIDS-eligible primary offerings will be required to complete two additional data fields. Specifically, underwriters in non-NIIDS-eligible offerings will be required to manually complete the data fields that provide a “yes” or “no” indicator for whether the minimum denomination for the issue has the ability to change and a “yes” or “no” indicator as to whether the primary offering is being made with restrictions. As noted above, the MSRB may publicly disseminate some or all of this information in the future.

The nine additional manual data fields are:

**Ability for original minimum denomination to change** – Form G-32 will include a “yes” or “no” indicator for the underwriter to indicate at the time of issuance whether the original minimum denomination for an issue can change.

**Additional syndicate managers** – This data field will identify all additional syndicate managers (senior and co-managers) on an underwriting.

**Call schedule** – Form G-32 will include a data field for call schedule information regarding the issue, including premium call dates and prices, and the par call date. For primary offerings with call prices stated as a percentage of the compound accreted value (CAV) the underwriter will enter the premium call dates and percentage of CAV the new issue can be called at as well as the par call date.

**Identity of obligated person(s), other than the issuer** – This data field will identify the name(s) of the obligated person(s), other than the issuer, for a primary offering of municipal securities. The MSRB expects that identification of the obligated person(s) will be input on Form G-32 in the same manner as identified in the official statement or other offering documents as responsible for continuing disclosures and support payment of all or part of the primary offering.

**LEI for credit enhancers and obligated person(s), other than the issuer,<sup>23</sup> if readily available** – Form G-32 will include a data field for the legal entity

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<sup>23</sup> An LEI is a 20-digit, alpha-numeric code that connects to key reference information providing unique identification of legal entities participating in financial transactions. Only organizations duly accredited by GLEIF are authorized to issue LEIs. The MSRB believes that, at this time, except for credit enhancers and obligated person(s), other than the issuer, the LEI information being sought is not critical in evaluating the financial risks of an issuer and because issuers typically do not obtain an LEI, the likely time and costs associated with

identifier (LEI) of credit enhancers and obligated person(s) in a primary offering, other than the issuer, if readily available. The LEI provides a method to uniquely identify legally distinct entities that engage in financial transactions. An LEI will be considered “readily available” if it is easily obtainable via a search using the web link provided on the Form G-32 specific to this data field.

**Dollar amount of each CUSIP number advance refunded** – In an advance refunding, Form G-32 will include a data field for the dollar amount of each CUSIP number advance refunded.

**Retail order period by CUSIP number** – Form G-32 will include a “yes” or “no” flag to indicate the existence of a retail order period for each CUSIP number in a primary offering.

**Name of municipal advisor** – The MSRB intends that this data field on Form G-32 will autofill as the underwriter begins to type the name of the municipal advisor or will provide a drop-down of municipal advisors by name for selection by the underwriter. The MSRB anticipates that the autofill or drop-down function will include all municipal advisors registered with the MSRB and will include an option to enter “no municipal advisor.” The MSRB believes the underwriter in a primary offering generally knows the identity of the municipal advisor that has been engaged. In addition, the municipal advisor typically is noted in the OS as being engaged to provide municipal advisory services on the particular offering.<sup>24</sup> Therefore, for purposes of completing this data field, the underwriter will look to the municipal advisor named in the OS, or if none are noted and the underwriter has knowledge of the municipal advisor’s identity, the underwriter will use this information to complete the field.

**Restrictions on the issue** – Form G-32 will include a “yes” or “no” flag to indicate whether the primary offering is being made with restrictions. An explanation will be provided on Form G-32 indicating that “yes” should be selected for any offerings made with a restriction on sales, resales or transfers of securities such as, for example, sales only to qualified institutional buyers as defined under Securities Act Rule 144A and sales only

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having to conduct a search to determine whether LEI information is readily available for an issuer, would exceed any potential benefits. See <https://www.gleif.org>.

<sup>24</sup> This would include those entities meeting the definition of “municipal advisor” as defined in Exchange Act Section 15B(e)(4), whether or not specifically identified in the OS as a “municipal advisor” (e.g., financial advisor).

to accredited investors as defined under Rule 501 of Regulation D under the Securities Act.

June 28, 2019

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## Text of Amendments\*

### Rule G-11: Primary Offering Practices

(a) – (e) No change.

(f) *Communications Relating to Issuer Requirements, Priority Provisions and Order Period.* Prior to the first offer of any securities by a syndicate, the senior syndicate manager shall furnish in writing to the other members of the syndicate and to members of the selling group, if any, for compliance therewith by all parties in sales or distribution of the new issue, (i) a written statement of all terms and conditions required by the issuer, (ii) a written statement of all of the issuer's retail order period requirements, if any, (iii) the priority provisions, (iv) the procedure, if any, by which such priority provisions may be changed, (v) if the senior syndicate manager or managers are to be permitted on a case-by-case basis to allocate securities in a manner other than in accordance with the priority provisions, the fact that they are to be permitted to do so, (vi) if there is to be an order period, whether orders may be confirmed prior to the end of the order period, and (vii) all pricing information. Any change in the priority provisions or pricing information shall be promptly furnished in writing by the senior syndicate manager to the other members of the syndicate and the selling group, if any. Syndicate and selling group members shall promptly furnish in writing the information described in this section to others, upon request. If the senior syndicate manager, rather than the issuer, prepares the written statement of all terms and conditions required by the issuer, such statement shall be provided to the issuer for its approval. An underwriter shall promptly furnish in writing to any other broker, dealer, or municipal securities dealer with which such underwriter has an arrangement to market municipal securities that includes the issuer's new issue, all of the information provided to it from the senior syndicate manager as required by this section.

(g) Net Designations, Group Net Sales Credits, and Allocations of Securities and Free-to-Trade Communications. The senior syndicate manager shall:

(i) No change.

(ii) notify all members of the syndicate and selling group members, at the same time, via an industry-accepted electronic method of communication, that the issue is free to trade;

(iii) within two business days following the date of sale, disclose to the other members of the syndicate and the issuer, in writing, a summary, by priority category, of all allocations of securities which are accorded priority over members' take-down orders, indicating the aggregate par value,

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\* Underlining indicates new language; strikethrough denotes deletions.

maturity date and price of each maturity so allocated, including any allocation to an order confirmed at a price other than the original list price. The summary shall include allocations of securities to orders submitted through the end of the order period or, if the syndicate does not have an order period, through the first business day following the date of sale;

~~(iii)~~ disclose, in writing, to each member of the syndicate and the issuer all available information on net designations paid to any syndicate and non-syndicate members or any group net sales credits (including the identity of each person submitting a group order) paid to any syndicate members expressed in total dollar amounts within 10 business days following the date of sale and all information about net designations paid to syndicate and non-syndicate members or any group net sales credits (including the identity of each person submitting a group order) paid to any syndicate members expressed in total dollar amounts with the sending of the net designation and group net sales credit checks pursuant to section (j) below; except this paragraph shall not apply to the senior syndicate manager of a qualified note syndicate as defined in subsection (a)(ix) above; and

~~(iv)~~ disclose to the members of the syndicate, in writing, the amount of any portion of the take-down directed to each member by the issuer. Such disclosure is to be made by the later of 15 business days following the date of sale or three business days following receipt by the senior syndicate manager of notification of such set asides of the take-down.

(h) *Disclosure of Syndicate Expenses and Other Information.* At or before the final settlement of a syndicate account, the senior syndicate manager shall furnish to the other members of the syndicate:

(i) No change.

(ii) a summary statement showing:

(A) the identity of each related account submitting an order to which securities have been allocated as well as the aggregate par value and maturity date of each maturity so allocated; and

~~(B) the identity of each person submitting a group order to which securities have been allocated as well as the aggregate par value and maturity date of each maturity so allocated except that this subparagraph shall not apply to the senior syndicate manager of a qualified note syndicate as defined in subsection (a)(ix) above; and~~

~~(C) the aggregate par values and prices (expressed in terms of dollar prices or yields) of all securities sold from the syndicate account. This subparagraph shall not apply to a qualified note syndicate as defined in subsection (a)(ix) above.~~

(i) No change.

(j) *Payments of Designations and Group Net Sales Credits.* All syndicate or similar account members shall submit the allocations of their designations according to the rules of the syndicate or similar account to the syndicate or account manager within two business days following the date the issuer delivers the

securities to the syndicate. Any credit designated by a customer or any group net sales credits in connection with the purchase of securities as due to a member of a syndicate or similar account shall be distributed to such member by the broker, dealer or municipal securities dealer handling such order within 10 calendar days following the date the issuer delivers the securities to the syndicate.

~~(k) Retail Order Period Representations and Required Disclosures. From the end of the retail order period but no later than~~ No later than the Time of Formal Award (as defined in Rule G-34(a)(ii)(C)(1)(a)), each broker, dealer, or municipal securities dealer that submits an order during a retail order period to the senior syndicate manager or sole underwriter, as applicable, shall provide, in writing, which may be electronic (including, but not limited to, an electronic order entry system), the following information relating to each order designated as retail submitted during a retail order period:

(i) - (v) No change.

(l) No change.

\* \* \* \*

### **Rule G-32: Disclosures in Connection with Primary Offerings**

(a) No change.

(b) Underwriter Submissions to EMMA.

(i) No change.

(ii) Advance Refunding Documents. If a primary offering advance refunds outstanding municipal securities and an advance refunding document is prepared, each underwriter in such offering ~~shall~~ is required to provide access to such information by all market participants at the same time by submitting, no later than five business days after the closing date, ~~submit:~~

(A) – (B) No change.

(iii) – (vi) No change.

~~(c) Preparation of Official Statements By Financial Advisors. A broker, dealer or municipal securities dealer that, acting as financial advisor, prepares an official statement on behalf of an issuer with respect to a primary offering of municipal securities shall make the official statement available to the managing underwriter or sole underwriter in a designated electronic format promptly after the issuer approves its distribution.~~

~~(d)~~ (d) No change.

# MSRB Form G-32 Data Points to be Auto-Populated from NIIDS in NIIDS-Eligible Offerings<sup>1</sup>

Distribution Type
Sale Method
Series ID (Issue Class)
Certificate Type
Bank Qualified Flag
New Money Flag
Refunding Flat
Advanced Refunding Method
Remarketing Flag
First Payment Date
Serial/ Term Indicator
Federal Taxable Flag
Federal Alternative Minimum Tax Flag
Interest Classification
First Trade Settlement Date
Credit Enhancement Applicable Flag
Capital Appreciation Flag
Zero Coupon Flag
Putable Flag
Callable Flag
Step-Up Flag
Super Sinker Flag
PAC Bond Flag
Revenue, General Obligation, or Double-Barreled
Minimum Denomination
Multiples of Denomination
Par Value
Par Type
Call Type

Days to Call Notice
Call Notification Window - Business or Calendar indicator
Sinking Fund Flag
Call Schedule Type
Extraordinary Call Flag
Make Whole Call Flag
OID Price
OID Yield
Credit Enhancement Type
Credit Enhancer Name
Credit Enhancement Expiration Date
State Taxable Flag
State Alternative Minimum Tax Flag
Interest Type
Variable Interest - Basis
Variable Interest - Index Name
Variable Interest - Index Spread
Variable Interest - Index Date Type
Interest Computation Method
Interest Method
Payment Frequency Number
Payment Frequency Type
Redemption Frequency Number
Redemption Frequency Type
Put Start Date
Put End Date
Put Frequency Number
Put Frequency Type

<sup>1</sup> The MSRB will publish one or more notices within 180 days of the June 27, 2019 approval date specified in the attached and such notice(s) will specify the compliance date(s) for the additional data fields on Form G-32.