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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68328; File No. SR-MSRB-2012-10)

November 30, 2012

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Implementation Date of the Requirement to Report the Contractual Dollar Prices at which Transactions were Executed for Inter-Dealer Transactions

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“the Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 29, 2012, the Municipal Securities Rulemaking Board (the “MSRB”) filed with the Securities and Exchange Commission (the “SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the MSRB. The MSRB has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is proposing to extend to March 29, 2013, the implementation date of a provision in Rule G-14, on reports of sales or purchases, including the Rule G-14 RTRS Procedures, and amendments to the Real-Time Transaction Reporting System (“RTRS”) information system and subscription service pertaining to a requirement for brokers, dealers and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

municipal securities dealers (collectively “dealers”) to report for inter-dealer transactions the contractual dollar price at which the transaction was executed.

The text of the proposed rule change is available on the MSRB’s website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2012-Filings.aspx, at the MSRB’s principal office, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The MSRB proposes to extend the implementation date of a requirement for brokers, dealers and municipal securities dealers (collectively “dealers”) to report for inter-dealer transactions the contractual dollar price at which the transaction was executed to March 29, 2013. The Commission previously approved the change to the transaction reporting procedures on March 20, 2012 (the “March 20, 2012 Approval Order”).⁴

Inter-dealer transaction reporting is accomplished by both the purchasing and selling dealers submitting information about the transaction to the Depository Trust and Clearing Corporation’s (“DTCC”) Real-Time Trade Matching System (“RTTM”). Information submitted

⁴ See SEC Release No. 34-66622 (March 20, 2012), 77 FR 17557 (March 26, 2012) (File No. SR-MSRB-2012-01).

to RTTM is forwarded to RTRS for trade reporting. Requiring dealers to report for inter-dealer transactions the contractual dollar price at which the transaction was executed, in addition to the information currently reported, would provide RTRS with an additional data point to use in its evaluation of which dollar price should be disseminated from RTRS for price transparency purposes.

The original proposal had an implementation date of November 5, 2012, but was postponed due to the effects of Hurricane Sandy on DTCC's systems. Due to ongoing effects of Hurricane Sandy on DTCC's systems, DTCC will be unable to make necessary system changes to allow dealers to report the contractual dollar price on inter-dealer trades to RTRS by November 30, 2012, as required by the March 20, 2012 Approval Order. To provide sufficient time for DTCC to make system changes, the proposed rule change would extend the implementation date of the provision to a date no later than March 29, 2013. MSRB is working with DTCC to implement this change as soon as practicable and will provide dealers and affected parties with at least ten business days of advance notice of the implementation date. Given that many dealers already have made system and procedural preparations for this change and the desire to implement this change as soon as practicable, the MSRB believes that ten business days of advance notice of the implementation date for this provision would be sufficient.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB's rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in

municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act because it extends the implementation date of a provision in a previously approved rule filing as a result of the effects of Hurricane Sandy on certain computer systems.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change extends the implementation date of a provision in a previously approved rule filing as a result of the effects of Hurricane Sandy on certain computer systems.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁵ and Rule 19b-4(f)(6) thereunder.⁶

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing.⁷ However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The MSRB requested that the Commission waive the 30-day operative delay, as specified in Rule 19b-4(f)(6)(iii),⁸ which would make the rule change effective and operative upon filing.

The MSRB believes that extending the implementation date of the requirement that, for inter-dealer transactions, dealers must report the contractual dollar price at which the transaction was executed to March 29, 2013, will prevent dealers from falling into non-compliance with the requirement. The requirement was originally to be implemented by November 30, 2012, under the terms of the March 20, 2012 Approval Order. The MSRB represents that its inability to implement the reporting requirement by November 30, 2012 is due to the ongoing effects of Hurricane Sandy on DTCC's systems, which are outside the control of the dealers and the MSRB.⁹

The Commission believes that waiver of the 30-day operative delay is consistent with investor protection and the public interest. Extending the implementation date of the requirement without delay could reduce potential confusion among dealers regarding compliance with the requirement and should clarify to investors the date by which this requirement will be

⁷ 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁸ 17 CFR 240.19b-4(f)(6)(iii).

⁹ E-mail from Ronald W. Smith, Corporate Secretary and Senior Legal Associate, MSRB, to Derek James, SEC Division of Trading and Markets, Office of Market Supervision, dated November 29, 2012.

implemented. Therefore, the Commission designates the proposed rule change as operative upon filing with the Commission.¹⁰

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2012-10 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2012-10. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

¹⁰ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-MSRB-2012-10, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Kevin M. O'Neill
Deputy Secretary

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¹¹ 17 CFR 200.30-3(a)(12).